

**"AN EXPLORATION OF THE CONSUMPTION ORIENTATION  
IN ROMANIA"**

**A THESIS**

**SUBMITTED TO THE DEPARTMENT OF MANAGEMENT  
AND THE GRADUATE SCHOOL OF BUSINESS ADMINISTRATION  
OF BILKENT UNIVERSITY  
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
FOR THE DEGREE OF  
MASTER OF BUSINESS ADMINISTRATION**

**By  
PAUL ISOIU  
JUNE, 1992**

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*Paul Isoiu*

*tarafından bağışlanmıştır.*

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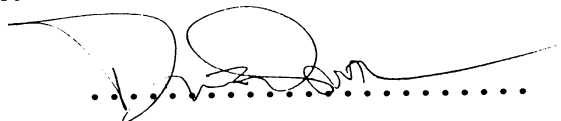
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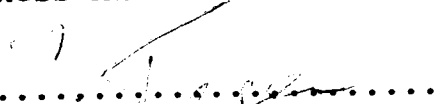
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## ÖZET

Bu çalışma; Romanya'da, Materyalizm olarak da niteleyebileceğimiz, tüketime yönelmeye neden olabilecek faktörleri incelemeyi ve gelecekte materyalizm konusunda yapılacak kültürlerarası çalışmalarda irdelenebilecek alternatifler sunmayı amaçlar. Araştırma yöntemi olarak uygulanan grup tartışmaları, tüketime yönelmeyi etkileyen faktörleri ve materyalizmin özelliklerini derinlemesine incelemeye, anlamaya ve yeni öneriler sunmaya yöneliktir. Kırsal ve kentsel bölgelerde yaşayan insanlarla yapılan görüşmelerin sonuçları, geniş anlamıyla çevrenin kültürel değerleri etkilediğini ve son on yılda ise, varolmanın amaç noktalarının (terminal values) önemini vurgulamıştır. Romen toplumundaki son gelişmeler tüketici kültürünün değişmesine yol açmış ve varolma yolları ise (instrumental values) Romenlerin tüketime yönelmesi için giderek önem kazanmıştır. Bu değerler ile etkileşim halinde olan bazı psikolojik faktörlerin de tüketim eğilimini etkilediği görülmektedir. Özgürlük, özsaygı ve toplum tarafından takdir edilme ihtiyaçlarının bugün kü Romen tüketim biçimini etkileyen faktörler olduğu öne sürülmektedir. Çeşitli çevre sınırlamalarıyla karşılaşan bu ihtiyaçlar (politik, sosyal ve ekonomik nedenlerin getirdiği kısıtlamalar), doyum ve doyumsuzluk arasında değişen bir çatışma durumuyla sonuçlanmaktadır.

Özgürlük ve kişisel başarıya olan ihtiyaçlar (özsaygı, kendine güven, toplum tarafından kabul edilme, seçme özgürlüğü gibi) tüketimde kişisel tatminin kaynakları olarak gösterildi. Romen ortamı materyalizmin şimdiki özelliklerine (sahip çıkma, haset, paylaşmama, somutlaştırma- Ger and Belk, 1990) yeni bir boyut eklemiştir: Bağımsızlık. Bu özellik, "bireyin kişisel hakları, mal varlıkları ve yaşamı üzerinde herhangi bir hakimiyeti reddetmesi" şeklinde tanımlanabilir.

Anahtar sözcükler: Materyalizm, tüketim eğilimi, Romen tüketim eğilimi, Romanya'da tüketim ile ilgili değerler.

## ABSTRACT

This study aims to explore possible causal factors for consumption orientation (interchangeably referred as materialism) in Romania, and to offer possible alternatives to be investigated in future cross-cultural studies of materialism. The employed research method - group discussions - attempts to reveal insights, provide rich and in-depth understanding, and generate new ideas regarding causal factors and traits of materialism. Results of the discussions with people in urban and rural areas, indicated that the macro-environment has been influencing the cultural values, in the last decades, emphasizing the end-states of existence (terminal values). Recent developments in the Romanian society led to changes in the consumer culture, and modes of existence (instrumental values) become increasingly important for Romanians' consumption orientation. Some psychological factors, interacting with these values, seem to affect consumption orientation. Need for freedom, need for self-respect and social recognition are suggested to be the driving forces for today's Romanian consumption patterns. These needs facing different environmental constraints (restrictions imposed by political, social, or economical reasons) are finalized in conflictual states of mind, ranging between satisfaction and frustration.

With the need for freedom and individual achievements (i.e. self-respect, self-esteem, social recognition, freedom of choice) pointed as sources for personal satisfaction in consumption, the

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With the need for freedom and individual achievements (i.e. self-respect, self-esteem, social recognition, freedom of choice) pointed as sources for personal satisfaction in consumption, the



Romanian context adds a new dimension to the present sum of materialism's traits (i.e. possessiveness, envy, nongenerosity, tangibilization - Ger and Belk, 1990) - independence. This trait was defined as the "tendency to reject any domination over one's personal life, possessions, or experience.

Key words: materialism, consumption orientation, Romanian consumption orientation, consumption related values in Romania.

## **ACKNOWLEDGMENTS**

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## CHAPTER I

### Introduction

Markets and consumer aspirations are becoming global, with connections spanning over distant continents and yawning gaps in level of development. Consumer culture is no longer a particularity belonging only to the Western world but has gained increasing significance in the less developed countries (LDC), as well (Belk, 1988). Through means of media, marketing, tourism, and business activities, the desire for hedonistic life-styles reached surprising levels even in the most remote villages of the LDC.

The need for accurate information in the field led to further developments in consumer behavior research. Scholars focused their attention on aspects relating levels of consumption to happiness seeking. Therefore a new area of interests was opened with the first insights about consumer materialism (in this paper, interchangeably referred as materialism or consumption orientation).

Defined as "people's devotion to material needs and desires to the neglect of spiritual matters" (Oxford Dictionary of English), materialism received an increasing attention in the last years and currently new arguments were issued about causes, traits, forms, and effects of materialism (Belk, 1985; McCracken, 1986; Fournier and Richins, 1991). Research focuses, also, on cross-cultural measurements of consumer orientation (Ger and Belk, 1990) and aims to bring insights about comparative developments of materialistic goals and their implications for



the social and economical life.

The present study explores possible factors which may influence consumption orientation, taking into account the specific Romanian environment, and offers possible alternative causal variable to be investigated in future cross-cultural research on materialism.

Five major sections structure this work:

CHAPTER II: Literature Survey , introduces main concepts, definitions and findings related to materialism. It mainly provides the arguments for the present research, taking into account critical concepts (causality, cultural values, traits) showing significant differences in various environments. Standardization of cross-cultural measurements tends to ignore these cultural differences, thus leading to possible errors. A subsection describes the importance of culture in studying consumer orientation and offers arguments for considering Katona's (1980) behavioral economic model (in Loudon and Della Bitta, 1988) as a framework for the present study.

CHAPTER III - The Romanian Environment: Following Katona's (1980) model, the analysis of consumption orientation starts with the introduction of Romanian macro-environment. Complex interactions taking place between socio-political and economical systems during the periods of "Growth" and "Decline" of communism, as well as recent years' macro developments are extensively treated, providing a background for the evolution of specific cultural values. These values are suggested to be determinant in emphasizing different traits of consumption orientation.

CHAPTER IV - Methodology: starts by giving the reasons for undertaking exploratory research. In this case group discussions were found to be the best method to be applied because it enables the identification of those variables influencing consumers' decisions and how consumers may tend to react to these factors. Also this technique can suggest fresh and revitalized ideas regarding causes and trait aspects of materialism using the Romanian context. Groups proved beneficial given their high degree of interaction, and were preferred to individual interviews. When designing the flow of discussion two principles were taken into account: flexibility and continuous interaction. These principles were applied along the discussions held with members of two social categories: "villagers" and "urbans". Reasons for sampling include the intention to obtain extreme cases of consumption orientation in Romania.

CHAPTER V - Findings: Presentation of the setting focuses on how data were organized with respect to different states of mind related to materialism , and how the analysis was performed. Five types of materialists were identified according to their attitude towards money and possessions, and to their needs that support consumption decisions. These needs are fully interacting with different cultural values which originated during the previous political regime but are still active. A new trait for materialism seems to emerge given the specific environmental patterns - independence.

CHAPTER VI - Conclusions and Recommendations: Factors of influence and traits of materialism are integrated with the macro-environment. Findings are discussed as they relate to the literature. Eventual modifications are suggested for different concepts and definitions. Criticism with respect to study's limitations complete the work. Based on the conclusions some recommendations are made involving directions for further research, implications for marketing research, and some suggestions are made with respect to government's policies.

## CHAPTER II

### 2.1 Current Opinions about Consumption Orientation

The phenomenon of consumption has been recently receiving an increasing attention from scientists, philosophers and even theologians. A rich literature describes a wide range of problems related to this process. The present literature survey will examine the main ideas, concepts, and traits showing people's consumption orientation as a means of reaching self-satisfaction.

#### **Historical Developments of Consumer Culture**

Consumer culture arose historically in Europe and North America although acquisitive desires can easily be traced as far as ancient civilizations. As Mason (1981) argued, it has only been within the last few hundred years that the chance to seek psychological well-being via discretionary consumption has come within reach of masses.

Technological development, in combination with other conditions within the social structure has created a life-style oriented towards consumption. Fundamental values which make this material consumption appear "unquestionably natural and desirable to the individual" (Daun, 1983) developed simultaneously. During the 70s the system of expansionist economies and consumer culture was seriously questioned and alternative ways of organizing society were proposed (i.e. Schumacher, 1973; Erüch, 1974; Hirsh, 1978; Bassel, 1978; Binswanger, 1979). Among other things this criticism was concerned with the social costs which the growth-oriented economy entails, both in terms of stress for the

majority of the population and social rejection for a growing minority. Belk (1985) argued that greed, miserliness, and envy can become pathological for someone highly oriented towards consumption.

By mid 80s consumer culture, based on the idea that goods are the means to happiness became a frequent source of concern for philosophers and social critics. Schudson (1984), in his analysis of advertising and culture describes a consumption oriented person as someone whose "character has degenerated and values have in a sense disappeared. There is no longer an obsessive striving after things but a mindless indulgence of them where the unguilty desire for object and experience to please oneself runs free."

#### Defining Materialism

The evolution of consumption towards patterns related to happiness seeking forged a new concept - materialism (this term will be used interchangeably with "consumption orientation"). Most writers agree that possessions are central to the lives of materialists. Belk (1985, p.265) for instance defines materialism as the "importance a consumer attaches to worldly possessions. At the highest levels of materialism such possessions assume a central place in a person's life and are believed to provide the greatest sources of satisfaction and dissatisfaction". In a similar spirit Ward and Wackman (1971, p.426) define materialism as "an orientation emphasizing possessions and money for personal happiness and social progress." and Toby (in Richins and Fournier, 1991) compare materialism to "the making of a religion out of things."

### Causes for materialism

Pointing to materialism as an extreme in the consumption process, scientists focused their attention to reveal the causes for such a behavior. Richins (1987) argued about the idea that media exposure might influence people to adopt a consumption-based orientation for their life-styles, especially for those who perceive commercials to be realistic portrays of themselves. In his paper dedicated to the socio-psychological aspects of a materialistic life-style, Ake Daun (1983) found two important causal factors. The first, develops on how high levels of consumption can give meaning to people's life. Since the fight for survival, religious beliefs, traditions, and collective ambitions lost most of their importance in the Western countries, individuals belonging to affluent societies turned to more realistic goals of private consumption. The second causal factor deals with the control over one's private living environment. "Prisoners of externally determined conditions of existence" (i.e. increasing power of public and administrative organizations, confrontations with foreigners, mass media - Daun, 1983, p.6), people perceive consumption as a counterbalance to one's lack of influence over one's life, an illusion of individual freedom.

Another causal alternative was offered by Leiss, Kine, Jhally (1986). They note that perceived well-being is based not upon possessions in and on themselves but on the shifting estimates that possessions allow of one standing in relation to others and in relation to the values deemed most important in the

culture. They observe (p.254) that in assessing happiness "people tend to compare their actual situation with a reference standard or norm ... Happiness is measured by the ratio of what one has to what one thinks one ought to have in order to maintain self-esteem in the face of the normal consumption standards accepted by the society."

### Traits of Materialism

Materialism has often been discussed in terms of the personality traits and behavior tendencies associated with it. Some (Heilbroner 1965, Belk 1988) believe that materialism is a manifestation of such psychological traits as acquisitiveness and possessiveness. Belk (1985) has empirically studied three traits: possessiveness, non-generosity, and envy. Possessiveness is "the inclination and tendency to retain control or ownership of one's possessions" (Belk 1985, p.267). This may concern goods, experience or people. Envy is "the displeasure and ill will at the superiority of [another person] happiness, success, reputation, or the possession of anything desirable " (Schoeck, 1966, in Belk 1985, p.268). This also concern other's goods, experiences or people. Non-generosity is "an unwillingness to give possessions with others " (Belk, 1985, p.268). He considers these three trait measures to be so strongly associated with materialism that their sum constitute a measure of materialism itself.

### Types of Materialism

Largely for moral and religious reasons, money have held that materialism and its associated behaviors (i.e. obsessive pursuit of goods, indulgence in consumption excess, and

ostentatious display of wealth) are inherently bad (Mason, 1981). Csikszentmihaly and Rochberg-Halton (1981) went beyond this negative stereotype and proposed two broad forms of materialism: instrumental materialism - objects are valued for their ability to aid the doing of some activity, and terminal materialism - objects are valued as ends in themselves and possession is simply sought for the sake of having objects. A third type of existential materialism which stresses ways that a product or service can improve the purchaser's sense of being it is considered as being relatively non-materialistic (From, 1976).

#### Cross-Cultural Measurement of Materialism

An attempt to construct a cross-countries reliable materialism scale revealed that subtle cultural factors play an important role (Ger and Belk, 1990). Measurement models derived in North America and in highly developed countries in Europe proved not to be reliable enough when extended research included less developed countries such as Turkey. A new trait was added - tangibilization (i.e. the conversion of experience to material form), and it was suggested that different items accounting for materialism are more powerful or relevant in different cultures.

#### Materialism in Developing Countries

Results of this work are consistent with a generally held view that materialism is on the rise in underdeveloped and developing countries. By virtue of mass media, tourism, and multinational marketing consumer culture is beginning to create yearning for consumer goods even before households of these countries have secured adequate food, clothing or shelter



(Belk, 1988). It is believed, in this case that consumers avidly desire goods and services that are valued for non-utilitarian reasons such as status seeking, envy provocation, novelty seeking. Needs are manifest in spite of some barriers to consumer culture: low income, ideology, fear of envy.

Within this framework, East Europe with its almost 45 years of nationalized and centralized economies may offer a good opportunity to test characteristics and levels of materialism. Materialistic traits like envy and acquisitiveness were revealed by Bar-Haim (1987) in his study regarding consumption patterns in the former communist countries. Lack of supply of non-functional items (jewelry, cosmetics, records) and a poorly diversified offer of functional goods (from wristwatches to clothes and electronics) led to a widespread admiration and curiosity for Western commercial artifacts. Young people were inclined more than adults to search and trade for western goods often ignoring potential repercussions. While authorities considered such items as symbols of a hostile capitalist system and embodiment of antiethic socio-politic values, for the youth they were symbols of modernity, efficiency, affluence, diversity, individuality and freedom of choice.

Another intriguing aspect revealed about easterners' behavior was that the item most in demand was information. By prohibiting importation of books, magazines, newspapers, and video-cassettes, by censoring local media reports, authorities used all means available to control incoming foreign information. But as Neuburg (1973, p.237), one of the very few to carry out intensive interviews with youth in East Europe, reports: "almost

every time I asked a Polish student what they had wanted at the time of the March 1968 riots, their reply began with information." He adds, "their minds travel where they cannot."

## 2.2 Criticism of the Current Ideas about Consumption Orientation Causes for Materialism.

Research on consumer culture tend to consider one cause (i.e self-esteem - Leiss, Kine, and Jhally, 1986) or two (Daun,1983) to define the driving forces for materialism. Here it is suggested that consumption is influenced by a more complex system of factors, originating from the interaction of cultural and psychological spheres, on the background offered by macro-environmental developments.

### Traits and Cross-Cultural Measurements

Measurement scales were developed to asses the traits related to consumption orientation (Belk, 1985). These findings were less consistent when cross-cultural studies were held (Ger and Belk, 1990), and new countries belonging to different socio-economical and political systems were added. Materialism, believed to be a characteristic of the highly industrialized world, was found to have higher values in less developed countries.

Activities and states of mind preceding purchasing processes were given little attention and macro environmental factors were not accounted for having any influence on the traits used to form measurement scales. But as previously suggested, different macro environments may lead to different causes for consumption orientation and therefore some traits can receive

consumption orientation and therefore some traits can receive more importance than others in different cultures. It is also possible that new traits might account for materialism in specific cultural environments (i.e. the former communist countries) but standardization of measurement models tend to drop out from the analysis these cultural differences.

Validity of cross-cultural measurements using the correlation between the number of artifacts seen as necessities and the materialism scores (Ger and Belk, 1990) may prove to be dependent on macro rather than psychological factors. There are strong reasons to believe that consumers will give different answers with respect to what products are considered necessities according to the development stage of their country's economy (i.e. growth or recession).

### **2.3 Role of Culture in the Study of Consumption Orientation**

Though cultures are similar (Loudon and Della Bitta, 1988) - one can find athletic sports, calendar, housing, cooking, courtship, etc. in every society - different ways of "inventing" that culture, depending on specific ideological, technological, and organizational systems, make cultures to be different, as well. There is evidence (Duesenberry, 1949) that all the activities in which people engage are culturally determined, and that nearly all purchases of goods are made either to provide physical comfort or to implement the activities that make up the life of a culture.

The implications for the present study are related to the fact that although customers may be biological similar, their

according to their cultural background. Thus consumption orientation differs not only from individual to individual but also across different cultures.

Cultural values are important to the organized and integrated nature of culture. A cultural value can be defined from a sociological perspective as a "widely held belief or sentiment that some activities, relationships, feelings, or goals are important to the community's identity and well-being." (Broom and Selznick, 1968). In a psychological vein, Milton Rokeach (1968) defines values as "centrally held and enduring beliefs which guide actions and judgments across specific situations and beyond immediate goals to more ultimate end-states of existence." Values, therefore, produce inclinations to respond to specific stimuli in standard ways. They deal with modes of conduct (termed instrumental values) and end-states of existence (called terminal values). That is, an individual who has a "value" has an enduring belief that a particular mode of conduct or end-state of existence is preferable to some other mode of conduct or end-state of existence.

In order to create a meaningful objective research instrument, able to improve the value measurement process, Rokeach (1969) created the Rokeach Value Survey (RVS), consisting of two sets of values, eighteen instrumental and eighteen terminal values (Appendix I,A). This proved helpful in understanding important consumption facets. Knowing that consumers who endorse certain values more highly than other values have different life styles may be extremely useful in

determining certain marketing patterns (promotion, distribution, positioning, pricing approaches).

Given the above aspects, culture is believed to be a determinant factor in studying consumption behavior and also materialism. Causes for materialistic behavior may be traced in one nation's cultural values. These values, in turn, are subject to permanent changes of the macro-environment (political, social, economical). Katona's (1980) behavioral economics model (Appendix I,B) shows that actual economic conditions, interacting with the psychological factors, influence consumer sentiments and lead to an economic behavior (i.e. consumption). This model can be taken into account for the present analysis, which aims to find the impact of macro and cultural factors on consumption orientation. Therefore the next chapter examines the example offered by Romania's environment.

## CHAPTER III

### The Romanian Environment

Katona's (1980) model of behavioral economics was enlarged (for the purpose of the present analysis) to include also social and political dimensions, taking into account their interaction with the economical system. This three-dimensional framework enables a historical analysis (Firat, Kuncu, Karafakioglu, 1988) of the influences between macro-environmental factors and changes that took places within Romanians' cultural values. Therefore the major focus of this chapter will be on the process of systemic change, on why and how values and needs were formed and transformed through the examined periods, and what are the effects on today's consumption orientation.

#### 3.1 A Short History

Romanians can track their continuous evolution in the Danubio-Carpathian space back in the pre-antique period. Descendants of daco-roman forefathers, their evolution is considered by many scholars an intriguing phenomenon, since Romanians are regarded as "an island of Latinity" in a Slavic ocean.

The birth of the modern Romanian state is placed in the nineteenth century and it was the result of hundred of years of endless wars with, at that time, three neighboring super-powers: the Ottoman, the Austro-Hungarian, and the Russian empires. The act of 1859 brought the unification of Moldavia and Wallachia under Alexandru Ioan Cuza. Those United Principalities won formal independence from Ottomans as a result of the Russo-Turkish war

of 1877-1878. The third province Transylvania - the cradle of the Romanian nation - joined the former union in 1918. Basarabia and Bucovina temporarily annexed to Russia, were re-incorporated at the end of World War I. Thus a centuries old dream was finally achieved - the establishment of "Romania Mare" (Greater Romania), comprising all the territories inhabited by the Romanian population.

During the inter-war period the issue of national identity and patriotism consequently became the main integrative device, from which important consequences arose. For national identities were not established in terms of positive reference alone - "what we are " - but also in terms of negative reference - "what we are not" (Shafir,1985).

Greater Romania was sacrificed on the altar of the Soviet-German pact of August 1939. After Basarabia and North Bucovina were taken by the Soviets, in early August of the same year southern Dobrogea was ceded to Bulgaria, and northern Transylvania was occupied by Hungary, following the Vienna award.

The end of the World War II found Romania on the Allies side but with only a part of its territory within the new borders. Basarabia and northern Bucovina were to remain under the Sovietic rule. A new order was installed at Bucharest with the help of russian Balalaika (\*) : communism.

The rule of the "working class", leaded in its outermost years by Ceaulescu, lasted until December 1989. Then, after the

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(\*) Balalaika: Nickname for russian assault-rifles during W.W. II.

bitter, unequal street fights with the dreaded "Securitate " troops, Romanians were able to overthrow the dictatorship of terror and open a new page in their history - the re-birth of democracy.

### **3.2 The Communist Years**

An accurate analysis of the present issues concerning cultural values (important for their impact on consumption patterns) must take into account the interaction of the socio-politic and economic factors. Culture is learned and inherited, each step on the historical ladder adding new dimensions to the previous values.

Therefore, the communist years played a determinant role in shaping Romanians' present psychological profile. Although ahead on the new path of democratic reforms, life styles still bear remarkable traces of their previous cultural experience.

#### **Political Environment**

Starting with 1947 when the first communist regime came in power, Romania became part of what it was to be called the Eastern Block. Four stages are significant concerning the political evolution:

- the initial stage - last 40s, beginning of the 50s - was characterized by pro-sovietic, pro-stalinist movements, and severe repression of the "bourgeois elements" (former politicians, intellectuals, businessmen), labeled as "people's enemies".

- the consolidation - during 50s, handling foreign policy patterns with ability, Romania started to "deviate " from the



Sovietic setting. The political apparatus was purged from "extremists and anti-Romanian elements". Stalinist doctrine was abandoned for a more genuine form of communism.

- the growth period - 60s-70s was mainly corresponding to the last years of Dej's (\*) government and the beginning of Ceausescu's regime. Political patterns changed radically towards a large cooperation with the western countries while relationships with USSR and the other members of Eastern Block followed a decreasing trend. Through its foreign policy Romania gained a wide international support reflected in the economical growth and improving living standards.

- the decline - last 70s - 80s - on the background offered by the mondial economic recession, internal mismanagement and government's paranoic resistance to further democratic reforms, the Romanian communist society collapsed.

During the 42 years of communist rule, **internal policy**" was dominated by the unchallenged political leadership, philosophy and strategy of development. In the absence of any political opposition, the Romanian Communist Party (RCP) became an instrument of domination with tight control over the whole society. The gradual overcentralization of power in leader's hand (the almighty "general secretary" of RCP), led to a specific form of dictatorship condemning, not only the ruling class but Romania itself to long years of international isolation.

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(\*) Dej, Gheorghe Gheorghiu - General Secretary of RCP between 1947-1965.

Romania, as stated before, had a different way to approach the communist doctrines. Contrary to the Sovietic theories, which still considered the party in Bolshevik terms as a vanguard of the working class, the Romanian leaders made it into a mass party. Membership grown from less than a thousand in 1944, to 1.5 millions in 1965 reaching over 3.6 millions by 1987. Most undoubtedly joined for opportunistic reasons and largely in name only, but gained little privilege or power from their party affiliation.

The real holders of power and privilege, the "central nomenklatura", accounted for about 10,000, according to official figures. They formed the "political class" and it was one of the smallest in Romanian history. It was also one of the most provincial and least educated: 80% of the party members and 78.5% of the "party apparatus" had a peasant or working-class background. The education of the elite was mostly ensured by the party academy, and the recruiting policies clearly favored the apparatchicks over technocrats.

Under such circumstances, it should come as no surprise that the elite was anti-intellectual, xenophobic, isolationist, anti-technocratic, and hostile to change. The nationally insulated ruling class of the 80s stood in striking contrast to the Romanian elites of the nineteenth and early twentieth centuries, who were formed from the most highly educated, cosmopolitan, and active agents of change along the lines of the Western European model.

Another peculiar aspect of the internal policies was the

RCP's obsession with history. The regime appealed to hyperbolic claims regarding Romania's past, and identified Ceausescu with prominent figures in Romanians' struggle for independence and national integrity.

Perhaps a unique trait of the Romanian communism was the steady building of Ceausescu's cult of personality. With the last opponents within the party purged in 1974, no limits existed anymore for flattering the leader's "genius". It begun as a legitimate propaganda for Ceausescu's stand-by during the Czechoslovakian conflict in 1968, and was amplified when its initial reforming ideas found a large support in the Western-world. The country started to be ruled on the basis of "cherished instructions" of the "beloved leader" who in whirlwind inspection tours "dictated to farmers when and how to plow or harvest, to engineers how to build a nuclear power plant, and to historians what to write about Middle Ages" (Georgescu,1991) . Inevitably, as in Albania, North Korea, Cuba, or Stalin's USSR, the cult ended by producing a closed society, repression and international isolation.

Romania's **foreign policy** at that time can be analyzed through the regime's changing positions between Moscow and the Western world.

Initiated by Dej's government in early 60s and pursued by Ceausescu in the early 70s, a highly successful foreign policy led to a stubborn resistance against the Soviet military and political pressure. The limits of Soviet tolerance were frequently tested as Romania remained neutral in the Sino-Soviet conflict, formed closer ties with Yugoslavia (when Moscow's

central press described Tito as "an enemy of communism"), and without attempting to imitate it, defended the Prague Spring to the end. Romania was the only member of the Warsaw Pact not to participate in the invasion of Czechoslovakia in August 1968. Romania established diplomatic relations with the West Germany at a time (1967) when no other member of the East Block had yet done so, and maintained diplomatic relations with Israel after the Six-Days War (1967). Also consistently refused to participate in military maneuvers with Warsaw Pact or to permit maneuvers on its territory.

All these actions were certain to annoy Kremlin, but Bucharest had a great standing in the eyes of the international community. Prestigious visitors to the Romanian capital - French president Charles de Gaulle in 1968, U.S. president Richard Nixon in 1969 - brought goodwill and western economic aid.

Paradoxally, as Romanian was "deviating" away from the Soviet block, the growing cult of personality and the economic mismanagement prepared the way back to the fold. By the end of the 70s, dictated by the mounting difficulties in the economical field, Romania's foreign policy had to readapt. The new realiation to the Soviet hard lines increased the pressure on the initial reforms, which were finally abandoned. Living standards decreased sharply and the repressive measures were tightened in order to stop any eventual rumors of discontent.

However, West's gradual realization of the reactionary and repressive nature of the regime's new domestic policies was the main cause of the loss of international credibility and respect.

The high expectations raised between 1964 and 1970 were not born out, and the enormous amount of goodwill and political capital that still existed in the West through the 1970s was squandered. The same leadership that had once been praised for its presumed sophistication and innovative spirit, managed to maneuver itself into a position of isolation from all its friends and supporters.

This isolation grew more when, at the end of 1980s, with all East Europe opened to democratic reforms, Ceausescu's regime emerged as the most fervent opposant to any changes. For the second time in the last 25 years, Romania's leaders were holding to Soviet pressures, but given the reformist character of Moscow's demands, their opposition was, this time, absurd and obsolete.

### **Economical Environment**

Romania's economy suffered from the same illness like any other communist country: hypercentralization, subordination of economic decisions to political reasons leading to mismanagement and low efficiency.

The path followed by the Romanian socialist economy was significantly different from USSR's plans for East Europe. In the initial cast COMECON was activated to create a division of labor and economic specialization among the socialist countries: the north became responsible for industrial production and the south for raw materials and agriculture. It is here where Khrushchev plan came against Romania's decision of complete autonomy. In spite of frictions between Bucharest and Moscow, and open criticism from

Czechoslovakia and GDR, the governmental team between 1958 -1965 moved quickly towards a relatively liberal economic policy.

The next step on the liberalization path (one of Ceausescu's first popular reforms) was the adoption of a series of measures encouraging small-trade private enterprise. In July 1967 the party authorized private shops, restaurants, and boardinghouses. Also construction of privately owned houses was legalized.

These steps toward the creation of a a more open system were accompanied by economic progress. Industrialization was the main goal in that's time political economy. 28% from the national income was currently reinvested in industry whose growth rate was about 12%. Agricultural yield was generally good, with a record harvest in 1972, but export of food products were still low, which probably explains the relative abundance of food in Romania during the 70s.

This pace of industrialization created disputes between the party fraction wanting more attention given to consumer industry, and Ceausescu's supporters stating even greater emphasis on heavy industry. The latter group won and the way for megalomaniac economical plans was free. Two such projects were the Danube-Black Sea Canal and the accelerated development of the steel and petrochemical industries, particularly oil refining. Steel and petrochemical expansion was undertaken despite the lack of domestic iron ore and the fact that Romanian oil production was falling and the price of imports rising.

Without much reference to internal conditions and resources, or to economic laws, the party unhesitatingly committed the country to constructing nuclear power plants and new steel

plants, and to producing a wide range of products from airplanes and helicopters to computers. This economic overreach proved beneficial for the moment since it created new working places and propagated the image of Romania's determination for reforms internationally. But the approach to this wide-scale industrial development was based on the western financial support. When credits were cut due to the erosion of the world's economic environment, Romania with increasing indebtedness and loss of credibility could not pursue the path of its reforms.

The mismanagement of economy inevitably led to a reorientation of Romania's trade with the Soviet Union, reversing the trend of the 1960s and 1970s. Barter trade on the less competitive socialist markets increased its share from 33.5% in 1980, to 57% in 1985, while the share of the developed countries stagnated at an annual average of 27% in the same period. The deteriorating relationships with the Western world, led to the loss of all economical advantages (MFN-status was revoked by Washington) and restricted Romania's access to important markets - EEC and North America.

While media maintained complete silence about the ongoing reforms in East Europe, Ceausescu was squeezing the economy to repay the US\$ 13 billion dollars foreign debt. Thus, imports were drastically reduced and exports that earned hard currency or could be exchanged for Soviet oil have increased.

In April 1989 the authorities announced that all foreign debt has been paid and endorsed a proposal to ban any future borrowings. This unique example of rapid and total debt payment

had forced a sharp decline in the living standard with a brake on domestic investment, severe fuel rationing, and food and transport shortages.

With its resources depleted and economy on the edge of collapse, at the XIV-th Congress in October 1989, RCP reaffirmed its determination to the Stalinist type of development and further plans for grandiose structural projects were issued.

### **Social Environment**

During the first 15 years of rule, communists annihilated any practical opposition for the power. The "working class", having peasants as main "allies" became the driving force of the society. Intellectuals were given the role of... "other social categories".

The autonomy emphasized in Romania's foreign policy and the initial steps made towards easing the repression and widen people's democratic rights, were factors that during the 60s and 70s contributed to public complaisance and reinforcement of party legitimacy. The improving economic performance was accompanied by measures to eliminate dogmatism and to achieve national consensus. Initial pressure on intelligentsia, commonly labeled during the consolidation period as "reactionary elements of bourgeoisie", had been relaxed. In universities the role of the dreaded personnel office was reduced, personal files were no longer kept, and the main criteria for hiring were no longer the biography and social origin of candidates, but merits and professional abilities. New passport regulations were adopted between 1968 and 1970, making easier for Romanians to travel



abroad. Once tourism in Western countries was allowed, it became the unique example of this kind in the Eastern Europe.

But perhaps the new orientation was most noticeable in the cultural domain. In the hands of several fairly enlightened ministers of education (1969-1972), there was progress, modernization, and some openness in education, with less weight given to Marxism and more to the hard sciences and technological fields. Russian disappeared almost entirely from schools and universities, to be replaced by English, French, and German, which had been little taught until then. Equally innovative changes were permitted in the social sciences. Sociology, history, philosophy regained their deserved positions in the course lists and researchers' agenda. Similar developments were undertaken in letters, arts, and music. The removal of the Stalinist poet Mihail Beniuc as head of the Writers' Union put an end, for a while, to "socialism realism" in literature and opened the door to a number of talented young writers.

It was a period of national pride. Intellectuals were re-connected to the international network of cultural and scientific values, the growing working class could easily find well-paid jobs in large cities, and peasants were witnesses to the first full-national scale modernization of their villages.

Changes in the structure of population were accompanied by a steady reduction of income differences. Through central policies wages were increased such that lower salaries received higher increments while high salaries suffered little modifications. This process of "uniformization" aimed not only the fulfillment of the communist dream (the society without any

social differences), but also to curb growing consumption tendencies.

Divergent opinions over economical policies (consumption vs. investments) in 1974, led to the banishment of the last sustainers of democratic reforms within the party and gave to Ceausescu, supported by his pro-industrialization group, the opportunity to become the only "architect of Romanian socialism". From that moment on nothing could stop the full blow of the personality cult. The leader became a kind of omniscient oracle. His "precious indications" handed down on all subjects from agriculture and industry to science and arts became the main factor influencing decisions. Repression suddenly grown, the complete chaos in planning and the creation of the most centralized economic system in the entire socialist camp, led to inefficiency and inflexibility and discouraged initiative.

The excessive emphasis on heavy industry created an economic imbalance. Although the country looked rich on paper, its inhabitants became increasingly poorer. Ironically the factories of socialist industrialization started to produce poverty instead of wealth. Overemployed and overdimensioned manufacturing capacities became inefficient at such an extent that government's compensatory policies- aimed to cover one sector's losses with profits from another economic branch - proved ineffective with the booming production costs.

More pressure was added to the social environment when in 1976 employees were binded to the workplace making very difficult for people to change jobs or to move from country to city.

Graduates were not accepted to work in the 14 declared "large cities" for at least three years. Vital economical branches were therefore left without any possibility to replace their aging, nonmotivated employees.

Problems extended also over the agricultural sector. Offered no financial support, peasants should regard the care of cattle and harvest as an honor and a duty. What ought to be a function of the market became a moral and a political issue. A decree set harsh penalties - fines and imprisonment - for slaughtering animals privately, and required each peasant household to register all domestic animals at the town hall. The problem of providing enough agricultural labor was resolved from year to year by taking millions of school-children and university students out of class (2.5 millions in 1981) to work in the fields when needed, along with government workers and soldiers. This was done in spite of the fact that theoretically, about 30% of the population was already in agriculture.

The troubled economy had an immediate effect on the standard of living, making the citizens of socialist Romania worse off in the eighties than they were in the sixties. Beginning with 1978, prices that until then had been stable were raised steadily. First food, services, public transportation clothing, wood and wood products, including paper, went up. Then in 1979 gasoline, natural gas, fuel oil, and electricity rose. According to figures from the International Monetary Fund the standard of living fell in 1983 by 19 - 40%. But higher prices did not solve the problem of food supply. Shortages of all kind, most notably food, became chronic, and the party was forced to reintroduce the rationing it

had discontinued in 1954, beginning in fall 1981 with bread, milk, cooking oil, sugar, and meat. At the same time, on Ceausescu initiative a "Rational Eating Program" was promulgated. It claimed that Romanians were eating too much, consuming too many calories, and set limits on per capita consumption for the period 1982-85. The program reduced calories intake limits by 9-15%, to 2,800-3,000 units per day.

The living standard of the large majority of Romania's population is reflected by the low level of the sales of food stuffs and consumer goods through state and cooperative trading units, which in 1989 was under the level registered in 1980. Thus, sales figures, compared with those in 1980, represented only 49% for meat, 39% for fresh dairy products, 69% for powder milk, 60% for cheese, 82% for butter and sugar, 46% for rice, 44% for refrigerators, 74% for washing machines, 64% for TV sets, 79% for motorcars etc.

The cult of personality had an unfortunate effect on the cultural development as well. From the early sixties until the fall of Maurer's (\*) technocrats, many improvements had been made. Greater openness towards the West, a diminished role for Marxist ideology, cultivation of national values, reduced censorship, modernization of education and research, and increased freedom for creativity in literature and the arts had all come into being. Dynastic Stalinism, however, closed the windows on the West, left education and research in disarray, and brought literature and science back under strict party control.

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(\*) Maurer, I,G - Romanian prime-minister between 1963 - 1974.

The state put less and less money into cultural activities. The allotment in the 1984 budget was 40% less than for 1983 and two million lei less than for 1965.

The most striking cultural change was probably the unqualified return to ideology as the primary instrument of social development. This gave rise to a new type of intellectual: the party apparatchicks with degrees, titles, and pretensions, who treated culture as a kind of administrative domain to be planned, coordinated, and directed according to the demands of the ruling elite.

Under the guise of austerity, the regime imposed on the country an almost bizarre process of demodernization. The Romanian paradox was born. In a state that produced cars but banned driving, built housing developments but withheld heat and running water, announced that it harvested the biggest grain crop in history but put its people on meager bread rations, the turnaround belied the outward forms of modernization and exposed their lack of content.

### **3.3 The Transition Period**

Over four decades of harsh communist rule in Romania came to an abrupt end on December 22-nd 1989. The fall of Ceausescu and the disintegration of the RCP as a formal organization were the result of an irresistible popular uprising. On that day the wave of popular anger that had started in Timisoara reached its climax in Bucharest and swept away Ceausescu's regime in a matter of hours.

The following years witnessed a strong commitment of the new government to structural changes within the Romanian society.

### **Political Environment**

The **internal** vast and complex process of transformations in the political life was marked by contradictory states of mind - from general enthusiasm in the first days to disputes and opposition. Numerous tense moments took place. The first free election campaign was a bitter race with more than 50 parties on the starting line. Rallies and demonstration staged by the opposition parties or by some "non-political and non-violent" associations continued despite the results of the elections. All of them argued the legitimacy of the new power, which was believed had communist roots.

In spite of all political fights - which reverberated not only among party members but across the whole society - the first democratic institutions were founded after the elections from May 22nd 1990. The unchallenged political leadership was replaced with a bicameral parliamentarian structure. In the lower and upper chambers, that are the Assembly of Deputies and the Senate, ten parties were included representing a wide range of political options.

The composition of the present government differs significantly from the communist one. Technocrats replaced the former apparatchicks and the "cherished instructions" were wiped out by heavy debates over almost every decision to be issued. Measures for radical changes in the law system were undertaken such that by the end of 1991 Romanian parliament adopted the new

constitution.

The political life continued to be far from being stabilized. While new parties were permanently founded, their number at the beginning of 1992 reaching almost 200, movements and reorganizations took place among the other parties represented in the government. A strong opposition ( National Convention) was created in the wake of the local elections from April 1992, accounting the Romanian "traditional" parties and other parties opposing to the actual government. This proved successful in acquiring mayor seats of the main cities, especially with the declining credibility for the party in power - the National Salvation Front.

**External policy** goal, as stated by the new minister of Foreign Affairs, Mr. Adrian Nastase is to offer a "cosmetics-free" image of Romania abroad. The transparency of such a policy aims to curb the international isolationism to which Romania was condemned by Ceausescu's megalomaniac rule.

The fall of old political, military, and economic alliances held by the former communist regime, forced Romania to redefine development strategies. The present government focused on the regional cooperation on multiple levels. The economic agreement signed with Armenia, Azerbeidjan, Bulgaria, Georgia, Greece, Moldavia, Russia, Turkey and Ukraina set the basis of the "Black Sea Trading Region". New treaties of friendship and economic cooperation were bilateral signed with Bulgaria, Czechoslovakia, Russia and similarly with EEC countries France, Germany, Greece, Italy, and Spain.

And perhaps the most significant case of world's changing attitude regarding Romania is the decision of the American administration to reconsider the allocation of MFN clause. This was a recognition of the post revolutionary realities when US direct investments in Romania mounted to more than 500 million dollars.

Giving new dimensions to the relationships with the neighboring countries became a priority on Foreign Affairs Ministry agenda. The old system of "comrade friendships" obsolete, old enmities sprung especially between Bucharest and Budapest. Hungary's unhidden revisionist claims (not only directed towards Romania, but aiming Czechoslovakia, Yugoslavia and Austria, too) worsened the political climate of the region. The intensification of bilateral changes on different levels it is believed will improve relationships between these two countries.

The situation in Balkans (the civil war in Yugoslavia) and Moldavia (russian minority's separatist tendencies backed by the intervention of the 14th CEI Army) placed Romania in a median position. In spite of its major interests in these areas, the new regime showed moderation and commitment to all international agreements and decisions undertaken to put an end to these dangerous confrontations for the regional security. Moreover Bucharest initiated a series of diplomatic contacts with the parts implicated in the Moldavian conflict, which proved beneficial for the cease-fire agreement.



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## **Economic Environment**

The following traits are resuming the economical performance of the communist regime: excessive centralization and rigid planning; unbalanced correlation between reproduction branches and sub-branches; forced and oversized industrialization, not adjusted to country's resources; systematic underfulfillment of annual and 5-year plans; discrepancy between consumption of resources and results; drastic cuts in imports and pushing out exports, at the expense of any efficiency criteria.

Some of the present government's basic goals are: the economic rehabilitation, the settlement of the host of problems pending from the totalitarian regime in economy, against the background of the adoption and implementation of some measures meant to lay the pre-requisites for a switch from planned economy to free-market economy. The governmental program of economic reforms aim to adopt some packages of laws and measures to the effect of:

- deblocking economic patterns - it implies investments programs, the orientation of local and foreign capital to branches having immediate effects (agriculture, food processing industry, light industry, housing projects, tourism), and the reorientation of manpower to these branches.

- reorganization of economic activities - aims to create new production and management patterns, both at the level of enterprises, meant to become autonomous units and ministries (the Council of Ministers was reduced from 45 to 23) .

- reformation of the prices and taxation system - intended

to cut and eliminate state subventions to public enterprises, and to consumer goods, parallel with indexation of salaries and pensions correlated to price indices.

- reform of the banking system - is adjusting banks to the free market economy, both by using the other countries experience, and the implementation of the recommendations of the experts of the World Bank and IMF. Presently in Romania, from 4 main banks existing BR, there've been founded more than 20 Romanian or foreign banks. Improvements of the internal monetary flow and the gradual switch to full convertibility are expected.

- reform of agriculture - envisages a number of measures aimed to lay this sector on a private ownership basis, as well as a basket of programs aiming at rural re-development

- privatisation - a pivot of the transition period to free-market economy - implies, basically, the valuation of the patrimony of the state-owned economic units, their turning into self-controlled and trade companies and the sale of stocks and social shares. Privatisation aims also the opening of private economic units, or mixed ones, with Romanian or foreign capital, as well as the launching of a sale of shares by these units through the intermediate of the stock exchange.

The economic framework for this package of measures is far from being depicted in pink colors. GNP recorded a constant drop in the last years of communism reaching US\$ 1,227 per capita in 1989, which was under the level of 1980. Industry which holds the biggest share of the GNP, has influenced the pace of the entire economy. In 1990 industrial activity was characterized by strong recession, materialized in a major drop of output in all branches

and sectors (FIG 1), a poor capitalization of production units and of the labor force, serious distortions in supply and in co-operation among economic agents. Moreover, the inflexibility of industry to adapt to the new market conditions, and a certain inertia in the reaction towards economic realities, should be added.

The shortage of raw materials and power resources in the domestic production was compensated by the increased imports as to 1990. The volume of exports standing at only 58.3% increased to 85.6% of the 1989 volume (Fig.2), while the imports (especially those of energy resources, raw materials and food supplies) boasted to 114%, in 1990. Given the imports offset exports, trade deficit (the first since 1980) mounted to 1.7 billion rubles and 1.8 billion dollars in 1991.

The activity of private economic agents brought some novelty into Romania's economy. By the end of 1991 more than 200,000 units were set under various organizational forms: small enterprises, profitable units, family associations and solo traders (Fig. 3). An interesting aspect of the privatisation process was reported at the beginning of 1992 when it was found that 75% of the new born businesses for that year were owned by recent unemployed.

Foreign investments were not so much attracted by the sprung of frequent social unrests, still perspectives are promising. By 1992 the situation of foreign investments show more important figures of capital penetration from Germany, France, Italy, and United States (Exhibit C)

## **Social Environment**

Poor economical performance before 1989 was reflected by the low living standards of the majority of Romania's population. With bare necessities unsatisfied due to shortages for almost all categories of goods, the policies undertaken by the new regime aimed exactly the satisfaction of consumption needs.

Important changes in the structure of the family budget took place after 1989 (Exhibit D). Sources of revenue maintained almost the same, expenditures changed their weight. Higher amounts were allocated for housing (government allowed buying own apartments at prices non-modified for inflation), taxes (a new system of taxation has been introduced), and consumption.

In spite of decreasing purchasing power (Fig. 5) and growing inflation (11,8% monthly), households started to allocate a greater amount of their family budget for consumption. Food received a central attention. People spend currently between 50% (employees), to 70% (pensioners) and 75% (peasants) of their income on this category of products (Fig. 4).

The analysis of the quantity of goods purchased with an annual salary shows the increased purchasing power for some goods: bread, cooking oil, chicken meat, milk, butter, eggs, all kind of energy (coal, oil, gas, electricity). Purchasing power comparison of average monthly salaries across different European countries (Exhibit E), place Romania on the third position in East Europe, but still far behind industrialized countries.

Within the social categories affected by the new

economical developments are the pensioners. Accounting approximately 15% of the total population, their average monthly income is 4000 Lei (approx. 10 US\$).

With a difficult situation are confronted, in a way or another, all the employees in the still dominant state owned sector. Facing increasing unemployment - 10% in 1992 - and decreasing purchasing power, workers formed powerful unions at the level of main economical branches. This partially explains the social movements that erupted since 1990, and therefore the difficult penetration of foreign capital.

Class differences started to enlarge, and the "new rich" were added to the former communist type of social structure. Migration towards the big cities worsened the already critical problem of accommodation in urban areas. Prices of apartments sky-rocketed from 100,000 Lei in 1989, to 2-4 millions Lei in 1992.

The educational system was marked by significant changes. Government's decision to increase the number of university graduates resulted in additional places at the existing faculties and inauguration of new state or private institutes of education. At the high-school and college level, courses were depolitized and humanist classes (emphasizing sociological, historical, and linguistic sciences) were added to the existing ones.

Perhaps the most important achievement of 1989's revolution was the unlimited access to information for all the citizens of Romania. RTV enlarged its broadcast program to three channels and allowed private and territorial TV posts. Newspapers and magazines increased their number from 30 politically controlled

and state owned issues, to more than 1000 publications most of them private. Foreign publications are also part of the new journalistic environment.

The place of intellectuals and scientists was redefined and they became again a productive force of society. The rebirth of the Romanian Academy of Sciences and the restoration of the patrimonium of cultural values marked the end of the distorted world created by communist fantasies.

#### **2.4 A Systemic Perspective**

The macro-environmental analysis introduced the socio-political and economical patterns specific for the Romanian context. A brief summary of the chapter will enable to reveal interactions that took place between macro and cultural environment.

- The "Growth" Period of Communism: - Political switch towards the Western world brought economical development, wide scale industrialization, foreign capital inflow (i.e. joint-ventures, unrestricted credit lines), as well as improvements for the social life. The banishment of Stalinist ideology from culture and education, the increasing living standards, the absence of major social stress (unemployment, inflation, class discrimination) were reflected in the emphasis on national pride. Important steps were made towards increasing citizens' self-esteem, and the hope for ideological freedom grew together with the hope for regaining social-recognition when merits and professional abilities started to be reconsidered in hiring, and the personal files had lost much of their previous power.

People became increasingly aware of the Western living standards due to the relaxation of turistic regulations, increasing imports of Western goods, connection of Romanian media to the international network of information, and interaction with the business world of the industrialized countries. Affordability and availability in consumption improved Romanians' standard package which followed a similar pattern with Japan during the '50s - '60s (Fukutake, 1974). A house, furniture, TV set were items normal to possess.

With the housing problem solved (majority of apartments were state owned and were available at relatively low prices), the family budget could be spared of important amounts which were reallocated for other material purposes. Therefore the tendency to label a great number of items and consumption activities as necessities rather than luxuries can be tracked back in the 1960s-1970s' macro-conditions. Exhibit F shows that items which in other cultures would be labeled as luxuries - house, furniture, freezer, public transportation, university studies, theatre, handmade clothes, in Romania received, since on, the status of luxuries (Marginean, forthcoming).

- The "Decline" Period of Communism: It is characterized by the reversed process on all economical, political, and social levels of the Romanian society. A sharp decline in the living standards, shortages of all kind, together with the increasing pressure of the repressive regime and the steady growth of the personality cult, restricted Romanians' needs for freedom, self-esteem, social-recognition, achievement, comfortable life. Thus



the source for conflictual states of mind was set. Frustration became part of people's daily life and helped emphasize individuality and the spirit of independence.

Explanations for this phenomenon can be found in "Securitate" (security forces) activities which created a strong atmosphere of mistrust around every individual, as well as in Romanians' traditional ability to 'get by' with the help of family, friends, and connections (Norgaard and Simpson, 1982). A tendency to solve problems on an individual rather than collective basis was generated, and consumption became a matter of survival with people competing for the scarce products available on the market. However, this analysis can be approached from a different perspective, suggested by Shafir (1985), namely the balance between the propensity towards autonomy versus conformity in Romanian society. An insight to the Romanian history shows that autonomy and independence gained symbolic value during the continuous opposition against the external powers, were they Ottomans, Hungaro-Habsburgs, Nazis, or Soviets (Georgescu, 1991). Even if Romanians had to submit to the overwhelming pressures, it was only temporary and without losing their will for self-determination. Moreover, imposed conformity seems to have strengthened the propensity for autonomy to these people.

- The Transition Period: After 1989's Revolution, socio-political and economical processes were once more reversed. The explosion of democratic reforms erased all the constraints imposed by the previous regime and led to the debloking of economical system and to a sudden release of all social pressures. People have found a new way of living unbounded by any

repressive apparatus or restrictive laws. Needs are manifest and the so much desire for freedom, self-recognition, achievement became highly dependent on individual will and determination to fight own way out in life.

Although overall situation improved the communist mismanagement have left deep wounds in the economy to be healed. First of all the consumption sector had to face dramatic changes. Private initiative and banishment of food exports improved distribution and supply of goods on the domestic market. However, the internal output of consumption goods proves insufficient or lacks quality and therefore the huge demand existing on the market had to be compensated with imports (especially for non-alimentary products).

Freedom of choice becomes a source of satisfaction but longing desires are still far from being fulfilled because prices went up and the average income proved insufficient to cover more than basic needs. Therefore people had to adopt a new life-style. "Work more" emerged as a necessity in order to secure a decent living standard. Values are steadily changing and modes of conduct (i.e. ambition, hard-working, daring) have started to play an important role in people's culture.

In spite of many difficulties still marking Romanians' life, their package of necessities (Exhibit F) has not suffered significant changes. Present macro-conditions (i.e. inflation, price liberalization) tend to reduce the number of items labeled as "necessities" before 1989 - house, furniture, university studies. In the mean time, changes in the cultural values where

items like "hard-working" become more significant, switched former "luxuries" into necessities (i.e. free-Saturday and Sunday, a moth holiday, personal computer) and therefore balanced the situation.

On a more general level it appears that population changed from a quantity oriented satisfaction to a more quality oriented satisfaction. Abundance and scarcity are still of a major concern for the population but the freedom of choice, as a result of the wider variety of consumer goods, increases their satisfaction.

## **CHAPTER IV**

### **Methodology**

#### **4.1 Description of Research Methodology**

The present study is an exploratory type of research aimed to reveal possible factors that might affect consumption orientation in Romania. For this purpose group discussions were employed as the most suitable method for data collection. Reasons for methodology selection are the need to obtain a large amount of information with a relatively high degree of accuracy and without losing the flexibility advantage which enables modification of questions to suit different situations. Also this method is highly recommended (Loudon and Della Bitta, 1988) in exploratory type of research since it helps to suggest fresh and revitalized ideas on the issue while understanding consumers' motivations, life-styles, and personalities.

Discussions spanned from 30 minutes to two hours, according to the participants' willingness to offer more details about the subject. Recorded on audio-tapes, discussions were latter on translated into English. Data were aggregated according to different states of mind, causes, and effects related to consumption. To reveal eventual differences, the aggregated data were kept separately on villagers and urbans.

#### **4.2 Research Design**

The flow of the questions were set to match a flexible pattern. Questions were grouped in ten sections, each of them organized to answer specific problems (Appendix III) and

according to the flow of conversation these sections were used interchangeably. Attention in designing the discussion was paid to maintain the conversation's dynamics at high levels. Moments of relaxation (Appendix III, S.3, S.7) were thought useful to release tensions, avoid embarrassment, boredom, and gain interviewee's confidence.

Each session ended by asking people to describe their feelings about the discussion. This spontaneous feed-back allowed corrections to be made regarding the ordering of questions and the weight that each section should be given during the conversation.

#### 4.3 Pilot Study

A first set of interviews related to the topic were held in January, 1992. Their purpose was to reveal how a set of questions drawn by Ger and Belk (1991) were matching to the Romanian context, and what was the level of interaction obtained during individual and group discussions. It was also a good opportunity for the interviewer to gain experience in handling this research methodology.

Results revealed that groups performed better than individuals regarding interaction and depth. During individual interviews, discussions were difficult to be maintained at a high level of interaction and questions were often answered without presenting detailed information. Therefore groups were formed with people having similar backgrounds, close ages, but different psychological profiles and life-styles. Such differences were sought out because studying opposites was found to be a fruitful

methodology (Strauss, 1963). This assumption was confirmed when depth gained better levels due to people's contradictory opinions on the subject.

The pilot study (sample size, n=5) concluded that additional questions related to materialism had to be asked. A "reference point " was created by introducing the request for non-materialists' description (i.e. genius). Based upon previous findings (Fournier and Richins, 1991, p17) suggesting that "materialists place greater emphasis on acquisition than on cultivating friendships and family relationships", further questions were asked about the relationship "Friendship-Materialism" (Appendix III , S.9). "Consumption-Power" (Appendix III, S.4), position with respect to foreign artifacts (S.8), and opinions about what is that can make interviewees happy (S.6), thought to reveal specific materialism related aspects in the Romanian environment.

Another conclusion to the pilot study was that the word "materialism" should be replaced with "consumption orientation" in order to avoid biased responding due to its negative meaning. Also the term consumption had to be clearly defined because of its relationship, in Romanian language, with food consumption.

#### 4.4.

#### Sampling

Interviews were held with 20 urbans and 6 villagers, individually (2) or in focus groups of 2 to 5 people. The sample size aimed to respect proportions of these categories in the total population. Subjects were chosen among the people I knew because strangers proved to be more reluctant to spare one or two

hours (unpaid), talking about a matter with apparently little concern for them.

The "urbans" group comprised 8 females and 12 males their age ranging between 15 and 38 years old (mean age, 25). They were high-school and university students, economists and engineers, all from Bucharest. Belk's (1985) findings (materialism would be higher in the middle generation) were taken into account when choosing sample's age. Belonging to different generations they lived through different environmental conditions and thus have different conceptions about consumption. Location - Bucharest, the capital-city of Romania - was believed to be a suitable place to find high levels of consumption during both periods, before, and after revolution.

"Villagers" - six people: 3 males, 3 females with ages between 15 and 48 years old (mean age, 27) - were chosen among the inhabitants of Bran, a rich and old mountain village in Brasov county. People from this region have always been free-peasants, including the years of communism (non-cooperativised ). Another argument in choosing the location was the level of income/family, high above the average for peasants or workers. Thus, consumption patterns were believed to be more evident to this group than to any other members belonging to the respective social category.

Sample structure reveals the intention to obtain extreme results about consumption orientation in Romania. The sample is biased, and in order to make any inferences about population's behavior, its size and structure should be modified to include a wider range of social categories (i.e. pensioners and workers)

belonging to different geographical regions.

Though is the most appropriate methodology to conduct exploratory research, limitations of the group discussions should be considered as well. Duration and sometimes costs restrained the number of participants and sample's representativity had to suffer. Interviewer had to present special communication skills since he had to act as the moderator who guides the discussion and allows subjects to interact with each other. Given his inexperience in the field, maintaining the flow of the conversation at high levels of interaction was sometimes quite difficult, especially in individual interviews. In some cases (villagers), an accommodative period had to be reserved in order to avoid people's embarrassment in front of the microphone.

But as a whole group discussions helped reveal insights into consumption orientation in a specific environment, Romania. Findings are discussed in the following chapter.



## CHAPTER V

### **Findings about the Consumption Orientation in Romania**

#### 5.1 Data Analysis

Data resulted from group discussions were aggregated on two social categories, "urbans" and "villagers" (Appendix IV, A&B) along the variables/sections followed during the discussions. Quotations were maintained in order to describe, as accurately as possible, opinions related to the topic.

Five types of materialists emerged (Appendix IV, C), classified according to individuals' relationships with respect to money and possessions, degree of satisfaction experienced, and the determination to pursue a certain material goal. Factors leading these types towards high levels of consumption were reproduced in Appendix IV, D and kept, where possible, under quotations in order to reduce subjectivity in analyzing data. The revealed causal factors were afterwards grouped in two categories of cultural values and compared to RVS list (Appendix I,A). An empirical measure of frequency was used to compare the two categories and draw further conclusions about traits and forms of materialism.

Interviews show that irrespective of groups (urban vs. rural), answers are not significantly different with respect to gender. Age seems to present more importance, and differences were reported between young ( > 26), and adults ( < 26).

Results of the research were grouped and will be consequently described according to factors that influence

consumption orientation, types of materialists, and traits of materialism.

## **5.2 Findings Concerning Factors which Influence Consumption Orientation**

Research that has been conducted with respect to the driving forces of materialism tend to focus on one (i.e self- esteem - Leiss, Kine, and Jahllly, 1986) or two (Daun, 1983) factors and do not take into account muliple causal sources. Moreover, psychological items were given an extensive attention, while cultural values, in their interaction with the macro-environment were not accounted as being determinant for people's consumption orientation.

Group discussions conducted with people belonging to two social categories (urban, rural) aim to uncover multiple aspects that can be accounted for materialism in Romanians' consumer culture. Findings will be treated with respect to differences and similarities between these social categories, and between the age groups.

### **"Urbans versus Rurals"**

Differences existing between these two categories are mainly a consequence of their cultural background (leading to different life-styles), rather than an issue regarding income discrepancies.

Urbans are worried that the adoption of a new life-style, dominated by the concern for money and possessions, will take place at the expense of their ideal/cultural/spiritual life. Affordability is sought as a way to maintain individual

independence with respect to other people's possessions and activities, and therefore is a source for personal satisfaction. In order to assure a high degree of independence people have to work more. One salary is seldom enough to satisfy urbans' needs, which compared to rural population, are more diversified. They spend less on food, and more on clothing, education, public transportation, and culture (Appendix III, Fig.4).

The acquisition of a certain good can be a way to evaluate one's professional performance, and consumption is often thought as a means to achieve self-esteem and social-recognition. In this case, satisfaction depends on everyone's ability to achieve a certain material goal. Setting non-realistic goals, difficult or impossible to be fulfilled, may lead to frustration.

Happiness is not dependent only on the degree on which consumption necessities are satisfied but on non-material achievements as well. Besides the need for internal harmony and social interaction, cultural activities seem to offer an escape from the daily stress, and therefore are often claimed as sources for happiness.

Villagers make frequent appeals to religious norms and "popular wisdom" to describe experiences or attitudes related to consumption (Appendix V, B). Having a higher tendency for socialization - "uritu-mi-i de omul mut" ( hate the dumb), villagers perceive people's new passion for consumption as a threat for interpersonal relations/friendship. They prefer having friends among their "neighbors"- people with similar living standards - and give more importance to communication skills - a

matter of education - than wealth.

Aware of the present situation when "life has become a race for money", a different motivation for consumption was found. Villagers would feel embarrassed not to keep up with the others, and be a shame for their village - "rusinea satului". Their hard working culture and the advantage of being always a free community brought them to the highest living standards among all rurals in Romania. Their houses and farms (gospodarii) were making even the wealthiest of the apparatchicks of the communist regime envious.

Although wealthy people were found to be impressive, their domination is not accepted. Villagers could find limits for material desires in their social norms: "...anyway in front of our priest we are all the same", or "better tighten bag's mouth than sewing its bottom".

Since their bare necessities - food, clothing, shelter - are satisfied from own resources, rurals goals are more extrovert and the need for traveling and information are dominant.

Education seems to play an important role in villagers' culture. The most appreciated and respected are the ones who could get access to a higher form of education (i.e. university). They are the possessors of that highly priced value of "knowing what and how ". Also they are accounted among those "few chosen" who may possibly live out-side their village, see other places, talk to different kind of people. Therefore when asked about goals in life, statements like "I wish to live and see my children at the university" seem to be obvious.

Frustration is not a shared feeling with respect to the

present consumption patterns. Though temptation is probably as high as for the urbans and they show the same consciousness about the changing life-style ("now there are more goods but less money"), villagers seem less willing than urbans to pursue material goals. Causes for such a behavior can be found in the general lower standard of consumption and in the escape offered by their norms and beliefs: "Better not to wish so much, better to live more modest...."

Similarities between urbans and rurals take into account opinions about consumption. Both groups are attracted by the sudden affluence of goods on the market (after 1989), contrasting with the scarcity of products characteristic for the communist period. Moreover, inflation seems to be a strong argument to support consumption. People prefer to spend rather than save since the interest rates are well below the rate of inflation.

Besides the already mentioned need for self-esteem, social-recognition (for villagers), independence, and validation of professional performance (for urbans), satisfaction in consumption can derive from the freedom of selection among a wide variety of products. Pleasure is also a shared feeling that relates to one's capability of buying a desired good .

Affordability became an important issue. Consumption desires have to be funded, and both urbans and villagers had to admit that "nobody can live without money." Considered as a "necessary evil", money is a means to achieve stability. Any attempt to emphasize other non-material activities cannot be successful unless one could firstly secure a certain level of financial

wealth - "solve the money problem first, then you can think about something else."

### **Young versus Adults**

Differences between age groups are significant along the following relationships: "Consumption-Happiness", "Money-Happiness", "General understanding of happiness" (Appendix IV A)

For young people - high-school and university students - dependent on their family income, consumption is a matter of successive material sacrifices. Their "pocket money" is seldom enough to buy the desired good. Afford more expensive things - bought from own savings or from own job earnings - can increase the degree of their satisfaction. Post- purchase behavior revealed that expensive goods (electronic piano, tape-recorders), bought from personal earnings were given an increasing attention with respect to their disposal and usage. When asked to reveal the cause for their satisfaction, the need for independence, self-management, pleasure, and freedom of choice were pointed.

Happiness in young's case was related to social activities, love, harmony in family, health and often to the challenge of an exciting life (sleep in the rail-road station tours, make love on the roof of a sky-scraper). Successful exams were also pointed as a source of high satisfaction, given the shared value that education can be a means of achieving a certain social position.

For adults consumption became a matter of concern. Feelings of satisfaction, pleasure, comfort, are often mixed with criticism regarding this "fever" that drives people away from

their ideals. The shock of transition caught them unprepared for the new life-style brought by the consumption society. New and old norms and values are interacting and lead to conflictual states of mind: "Work like in socialism but spend like in capitalism".

Adults spend more time on finding ways to increase their incomes permanently slashed by the soaring inflation. Overtime and part-time jobs became quite normal - "With only one salary you can't live a decent life." Theoretical there are no longer any kind of barriers against personal material achievements, and the degree of happiness is now dependent on everybody's stated goals. But highly set targets, not accomplished, may lead to frustration.

Happiness for adults was described as a complex phenomenon related to non-material achievements (love, family harmony, health, culture) and more materialistic achievements as well (good job, successful career)

An indicator of how people are positioned with respect to the "money - happiness" issue (irrespective to their age) is reflected by their opinions about the relationship "rich/poor - happiness". Richness is differently perceived. Actually, standards describing richness differ, not only from person to person but generally are different from the western standards. The old communist doctrine emphasizing the "decadent rich west", linked with religious beliefs offer to wealth a mystic light. Fear (of loosing friends, becoming to conceited, or adding new anxieties to the already existing ones) and temptation were

equally stated as dominant feelings linked to richness.

If affluence is somehow accepted as a source to happiness, poverty is largely rejected. Poor people are described as inadaptables living permanent frustrations. They are "weak", "narrow minded" or people willing to live according to the old "communist norms" , with five eggs, 125 gr. butter and 250 gr. cheese per month. The general belief is that poor cannot be happy since the contact with the surrounding world acts as a permanent reminder of their social status. They are labeled as people with no will to overpass their condition. This contempt with the poor can be tracked in the communist norms which stated that "only those who don't want to work, live in poverty".

It is believed that non-materialists can hardly fit in an environment where money and goods are becoming sources for both satisfaction and concern. They are perceived as "outists", inadaptables, or as someone that "already have their bare-necessities satisfied". These people "have never been forced to live otherwise". Monks, ascets, geniuses, idealists, as they were called, are equally admired (some worried that they might change one day and become materialists) and mistrusted when regarded as inadaptable or selfish. More critical accents were issued when their selfishness, derived from an introvert life-style was perceived as an unwillingness to focus on more materialistic goals (i.e. Romanians' actual efforts for a fast transition period).

A common feature for all interviewees was the self-consciousness about the changing social values. People are forced to move away from their old "idealist" way of life, (where



everybody - sooner or latter - could achieve a satisfactory standard of living), and adapt to the actual socio-politic and economic environment. Thus a "money oriented" person is no longer perceived as a "negative" social element and become an "example" for fast adaptation to the new market conditions.

Opinions about personal consumption experiences are different and no regular patterns can be established. Living standards in the pre-revolutionary period were such that people were buying what ever they could find available on the market. Given the shortages for both food and non-alimentar products, consumption was more a matter of survival than a process related to happiness seeking. Satisfaction came together with the improvement of market supply and was related to the increase in the variety of products and brands available in shops. People are happy since one of their biggest concern, the exasperating, endless queues have steadily disappeared and the scarcity of goods have been finally overcome: "Everything that I've dreamed is there."; "I can choose now. I'm no more forced to buy the same product every time I go shopping." Their attention, as it was previously stated, is now focused on affordability and administration of the family budget: "....Think more about the good I will buy.....look for the best price"; "...rent and taxes expenditures are higher now...."

The feeling of "buy what I can" has been transformed in "buying means I can". The achievement of certain consumption goals can offer a spontaneous validation of one's professional performance. Although it was accepted that people can be

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The feeling of "buy what I can" has been transformed in "buying means I can". The achievement of certain consumption goals can offer a spontaneous validation of one's professional performance. Although it was accepted that people can be

dependent on someone's goods ("give a lift and he/she will ask for it the second time), domination or the power to influence others' opinions was indicated to be mainly dependent on people willingness to submit to it, or not.

**Gender differences** were not purposely sought during the discussions. In villagers' case, thoughts about a better material life were mainly expressed by women: " I would like to find more time for myself, buy some nice clothes...". Men were more concerned about their daily administrative responsibilities - "...buy 'sindrila' and fix up the roof of my barn". Appart from that, there were no obvious differences between men and females.

A summary of the possible general driving forces for consumption orientation in Romania, uncovered by group discussions, are listed in Appendix IV, D. Terminal values seem to dominate the will for consumption, and among these freedom of choice, self-esteem, social-recognition, sense of accomplishment are often mentioned. For "villagers" consumption is mainly a matter of self-esteem and social-recognition (they don't want to be a shame for their community - "rusinea satului"), while for urbans freedom of choice, the sense of accomplishment, and nevertheless the macro-factors (inflation), are strong reasons for goods' acquisition.

Modes of conduct (instrumental values) are also manifest and seem to gain more importance in people's daily life. Ambition, open-mindedness, and independence express the adaptability of cultural values to developments in the macro-environment.

### 5.3. Findings Concerning Types of Materialists

Five types resulted from interviewees' descriptions of consumption oriented individuals and from personal analysis of the collected data (Appendix IV,C). These types present specific psychological traits believed to have issued from people's permanent interaction with the macro-cultural environment.

Type I is characterized by aggressiveness in pursuing material goals. Likes to "get by himself", but is usually dependent on other people's income (spouse, parents). Doesn't pay too much importance to educational or professional achievements. Acquisitions are mainly directed towards status-symbol goods and by any means tries to emphasize personal wealth.

Type II is an independent/entrepreneurial spirit. Coming from middle or low income families, believes that through a good education, a better social position can be achieved. Goods are praised for their capability to offer a permanent validation for their professional performance, and can act as an emulator of those social differences that may exist between this type and the surrounding world. Ready to sacrifice everything in order to achieve a higher material goal, believes that satisfaction is entirely dependent on everyone's "talent" to manage a way in life. Is highly adaptable and rejects poverty as a source to happiness.

Type III is money oriented and does not spend on personal consumption (except for the bare necessities). Type III A directs earnings to satisfy family's needs, while Type III B saves all money, just for the sake of saving (can be described as selfish).

Type IV thinks that money can buy goods able to bring happiness. Likes to give well defined purposes to the amounts spent, and consumption is usually a planned process. Perceives all happiness related achievements through the availability of money, and feels restricted in his/her movements by the "amount of cash in the pocket". Doesn't set high material goals. Gives up to follow unaffordable acquisitions.

An interesting characteristic was offered by Type V. What makes this type special is the orientation towards culture and the contempt for material goods. Valued items, accounting for happiness and self-satisfaction are play-writes, films, books, music, paintings etc. In this case the culture orientation can be a misleading factor in labeling this type as non-materialist. Money have an equal important role in the personal life as for the other types. The difference arose from the utility attached to money spending in order to achieve a certain degree of satisfaction. People belonging to this type are not buying material goods but services (theatre, cinema, opera-house) through which they can achieve a certain degree of satisfaction. So, as long as money is intensively used to achieve these needs we can say that Type V behaves according to the same consumption patterns as the other four types.

#### **5.4. Findings Concerning Traits of Materialism**

Cross-cultural measurements of materialism (Ger and Belk, 1990) showed that some traits (i.e. possessiveness, non-generosity, envy, tangibilization) have different weights in different cultural environments. The present study do not aim to reveal which of these traits are dominant in the Romanian

environment, but focuses on the possibility that new traits, can be accounted for materialism, as well. The specificity of the Romanian context, seems to offer a new dimension for materialism - independence. This trait emerges from the need for freedom and individual achievements - self-respect, social recognition, sense of accomplishment found to be dominant in both instrumental and terminal values. Therefore independence was defined as the tendency to reject any domination over one's personal life, possessions or experience."

Although the discussion design did not purposely aim to reveal the existence of any of the current traits of materialism (i.e. possessiveness, envy, non-generosity, tangibility), signs of these traits were found to every of the five types of materialists described in Appendix IV, C.

Type I and II seem to emerge as highly possessive given their determination to pursue a certain material goal. Besides, Type I presents characteristics of non-generosity - "willing to share, if not affected" and Type II seems to offer evidence for envy - " I'm bothered when see someone else's material achievements."

Type III (A+B) can be considered possessive as well but in this case money plays a central role in life. Non-generosity is a second trait identified in Type III,B's selfishness - "save all their money".

Type IV is more balanced and maybe the less materialistic given the unwillingness to pursue all material goals. Envy seem to have more significant levels since this type is bothered when

people become wealthy through any means.

Type V is considered a more special case and was previously analyzed.

Acquisition of goods is no longer perceived as a desperate search for scarce products but has become a complex activity implying different states of mind, able to shape people's character. Five types of consumption oriented people show significant levels of materialism, with respect to possessiveness, envy, and non-generosity. Moreover, the Romanian macro-cultural environment revealed a specific trait of materialism - independence, emphasizing the importance of local environmental factors in cross-cultural studies of consumption orientation.

## CHAPTER VI

### **Conclusions and Recommendations**

The present study can be considered as a pioneer in researching consumer materialism in Romania. How cultural values have changed in response to changes in the macro-environment, and how they have influenced people's consumption orientation have been explored.

#### 6.1 Conclusions

##### Conclusions about the Definition of Materialism

The existence of different types of materialists suggest that money plays an equally important role with possessions in defining materialism. Amounts owned in personal accounts just for the sake of saving can bring moral satisfaction, comfort, and why not, happiness. This idea is consistent with Ward and Wackman's (1971, p.426) definition of materialism - "an orientation emphasizing possessions and money for personal happiness and social progress. "

It is recommended, therefore, that money related dimension(s) should be introduced in the cross-cultural model of materialism measurement. This may prove helpful when dealing with cultures (i.e. underdeveloped countries) with a backward economical system where money is praised at least as much as goods are.

##### Conclusions about Factors which Influence Materialism

The Romanian environment analysis indicate that consumer materialism is a consequence of developments in the macro-



environment. For example, inflation has a direct influence on consumers' decisions pushing people to spend more on goods today rather than save for tomorrow.

While raising inflation can influence consumption in short-run, more lasting effects of macro-environmental developments are perceived when analyzing cultural values. Once a cultural value was emphasized it takes longer time to readjust. Values are interacting with psychological factors resulting in different needs. Therefore culture is a source of multiple causality, and the assumption that materialism is a consequence of only one or two factors (Richins, 1987; Jhally, 1986) cannot hold. Romanian example proved that interacting terminal and instrumental values can give different meanings to people's consumption orientation. For example, the Romanian communist society and its repressive regime, with shortages on the market, and social inequities, seem to have emphasized certain needs related to the end states of existence (freedom, self-esteem etc.)

The desire "to have" became manifest after the fall of Ceausescu and resulted in the persistence of terminal values, in spite of changes that took place in the macro-environment. On the other side, instrumental values become more significant given the adaptation of consumer culture to the new market conditions. A word has to be said about the tempting relationship between terminal values and terminal materialism. The present work did not aim to make such a connection. Analysis of Romanian consumption orientation reveal that thought objects are valued as ends in themselves (Csikszentmihaly and Rochberg-Hulton,

1978,1981), possessions generally are not sought for the sake of having objects. There is evidence (Appendix II) that, given the present economic conditions (low purchasing power, inflation) people cannot afford having objects just for the sake of having them. Moreover, they try to give well defined purposes (except Type I, Appendix IV, C) to their acquisitions. Even thinking to that object as means to the promotion of pleasure and the prevention of pain, the existence of terminal materialism might be doubtful. Therefore, the present study is in line with the economic theory of utilitarianism where products serve as the means by which valued goods are achieved (Bentham, 1824/1987). In this view even acquisitions, which may be classified as terminal, are in fact utilitarian (instrumental) when they provide "the simple pleasure of wealth, those pleasures a man is apt to derive from the consciousness of possessing any article or articles which stand on the list of instruments of enjoyment and security" (Bentham, 1824/1987, p.9)

It is believed that in macro-environments with low levels of income and low purchasing power, goods and possessions can also be desired for their symbolic value. This idea is consistent with Bar Haim's (1987) findings on East Europeans' consumption patterns where both functional and non-functional western items are valued because "they were symbols of modernity, efficiency,....., individuality and freedom of choice."

The proportion of Romanian population willing to adopt new instrumental values (modes of conduct, which started to gain increasing importance in current life), may prove decisive for the further evolution of macro-factors. Here is where Katona's

(1980) model of behavioral economics shows its final utility. Emphasizing values related to modes of conduct is known to effect consumption decisions related to brand selection rather than product selection (Rokeach Value Survey's effects, in Loudon and Della Bitta, 1988 - Appendix V). This movement in consumers' sentiments towards qualitative dimensions will affect production decisions, as well. Consequently, an economic behavior will take place (Appendix I B) - diversification of economic output with effects on all the other macro-levels.

### Conclusions about Traits

A new dimension for materialism was offered - independence. The possibility that independence can be associated to high levels of consumption was suggested by Furnham (1984). He revealed that individualism/independence makes people want to be rich and to value material goods. A more consistent link can be made with Norgaard and Simpson (1982) description about Romanians' traditional ability to 'get by' by themselves, and with Shafir (1985) references about autonomy versus conformity in Romanian society.

The existence of this trait has deep historical implications in the continuous fighting for national identity and independence preservation. As showed in Chapter II cultural values related to independence (freedom, independence, self-esteem, social-recognition, etc.) were also emphasized by evolutions in the socio-political and economical system. It is believed that in the short-run, whatever these evolutions might be, this trait will continue to be dominant.

Though independence seem to be a dominant characteristic, Romanian five types of materialists show significant levels of possessiveness, envy, and non-generosity, too. This finding is consistent with Ger and Belk's (1990) assumption that the respective traits can be significant across different cultures. Evidence couldn't be collected to probe tangibility since special inquiries had to be performed.

Adding independence to the four dimensional scale developed by Ger and Belk (1990) we may conclude that materialism can be accounted as a sum of more and apparently less materialistic traits.

Limitations of the Study have to take into account that the sample is highly biased and inferences about materialism at the level of population will have to include further research on a more representative group under both aspects of number and structure.

## **6.2 Recommendations**

Findings with respect to consumption orientation in Romania can be used to formulate some recommendations for marketing activities, government policies, and to suggest some directions for further research.

1. Marketing activities in Romania: Firms should pay an increasing attention to Romanians' changing values. Movement towards a qualitative dimension in consumption is evident and will affect purchasing patterns. As demonstrated by Rokeach (1969), emphasis of instrumental values will lead to decisions

concerning mainly brand selection. Diversification of the industrial output is therefore required and consequently specific measures should be undertaken.

Pricing strategies and planning of the level of output should take into account Romanians' low level of income. Price is an often claimed factor to influence buying decisions and is still a strong argument for product/brand selection.

Attention should be paid to the post-purchase behavior. People, given the high prices and the low purchasing power, are less tempted to repeat purchase. The tendency is to dispose of a certain product as much as possible, especially when that product has a high value.

2. Government Policies should meet the adaptive pattern of cultural values avoiding tensions that might arouse when these patterns are ignored (i.e. the communist regime created such tensions when various restrictions were imposed). A good example may be offered by the new law of privatisation that offered an escape for the social stress brought by unemployment. In the first three months of 1992, 70% of the new private firms were opened by unemployed. In the mean time the ambition to work more in order to avoid poverty and secure a decent living standard found an alternative in the decree regarding the unrestricted limit of jobs one can have.

3 Further Research Findings in the Romanian context suggest that the following have to be taken into account in understanding materialism across different cultures:

a). Money related dimensions should be taken into account for further studies regarding consumption orientation. Moreover, materialism shows different characteristics (i.e. in Romania - independence), deriving from specific macro-environmental developments across different cultures, which should be also considered when building measurement models.

b). Rejection of poverty is still strongly anchored in Romanians' consciousness. This attitude was emphasized during the communist regime following party's policy of "uniformization of social differences". Since on, people have been thinking to poverty as a consequence of individuals' incapability to overcome their condition. No possible link to happiness could be found for poors, since they are believed to experience a permanent frustration. Therefore, in Romania's case, a possible relationship "poor-happiness" can be biased by the rejection of poverty. Correlations between this variable and materialism measurement might be a source of errors.

c. Material achievements are perceived as an indicator of people's adaptability to the new free-market conditions, and do not purposely have a negative meaning.

d. Differences across gender was paid less attention and possible aspects of consumption orientation, deriving from these differences could not be revealed.

e. Validation of measurements through necessity/ luxury list of items should also take into account variations in the macro-environment. The relative high number of items labeled as

necessities (Exhibit F) can hardly be considered as a symptom of materialism since they are more influenced by macro rather than psychological factors. Perhaps a first delimitation of each culture's "standard package", and afterwards establishing reports between this package and different items, perceived as necessities or luxuries, may improve the accuracy of the measurement. Thus a "cultural emulator" would be established by eliminating the differences in cross-cultural measurements.

Romania and its communist experience offered a specific environment for the exploration of consumption orientation. The domination of a repressive regime, which paid no attention to people's consumption needs created an inverse effect. Instead of being curbed, desires for an affluent material life (reflected in the tendency to label many items as necessities) become more powerful. People were longing to have what the society had once offered them and afterwards was forbidding - a decent material life.

This desire could be partially fulfilled following the 1989's revolution, which brought a relative abundance of goods on the market. Still people have to face new restrictions imposed by the growing inflation and the decreasing purchasing power. These running constraints and the need to adapt to macro-environmental developments, allow the emphasis of specific social norms and cultural values. Among these, freedom of choice, self-esteem, hard-working, ambition to overcome difficulties, sense of accomplishment have a decisive role in defining independence as a

new trait for consumer materialism. Therefore, the study of changing cultural values under the influence of different macro-environmental forces and their interaction with people consumption orientation awaits further research to be undertaken.



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**APPENDIX I**  
**LITERATURE SURVEY**

EXHIBIT A

LIST OF  
CULTURAL VALUES

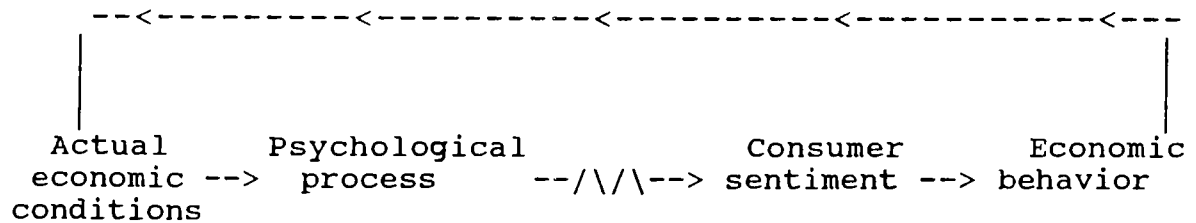
-Rokeach Value Survey-

Terminal values (end states of existence)		Instrumental values (modes of conduct)	
- Comfortable/prosperous life	*	- Ambition (hard-working, aspiring)	* *
- Exciting life (active)	*	- Open-minded	* *
- Sense of accomplishment	* *	- Capable, competent	*
- World of peace (no wars)		- Cheerful (lighthearted)	*
- World of beauty (nature, arts)		- Clean, neat, tidy	
- Equality		- Courageous	
- Family security	*	- Helpful	
- Freedom (independence, free of choice)	***	- Forgiving	
- Happiness		- Honesty	*
- Inner harmony	*	- Imaginative, daring	*
- Mature love		- Independent	* *
- National security		- Intellectual, intelligent	*
- Pleasure (leisurely life)	*	- Logical	
- Salvation (eternal life)		- Loving	
- Self-respect, self-esteem	**	- Obedient, respectful	
- Social recognition (respect)	*	- Polite	
- True friendship	*	- Responsible, reliable	
- Wisdom (mature understanding of life)	*	- Self-controlled, disciplined	*

## EXHIBIT B

**Figure 1**

A simplified representation of Katona's behavioral economics perspective



Katona's (1980) view point now known as behavioral economics shows the actual economic conditions as influencing consumers. These conditions include the rates of interest, inflation, and unemployment, the level of GNP, as well as more personal economic situations such as the households' current status regarding taxes, income, and debt. However, as the diagram shows with a modulating arrow, rather than directly influencing the consumer, these actual economic conditions are modified by psychological factors which include consumer's motivations, knowledge, perceptions, and attitudes.

The diagram shows that consumer sentiment results from psychological process modifying the effect of actual economic conditions on the consumer. Consumer sentiment may be thought of as the consumer's level of confidence about current economic conditions he faces, and his expectations about the status of economic conditions in the future. This consumer sentiment, in turn, is a deciding factor in the amount of discretionary spending that the consumer will engage in at any given point in time.

**APPENDIX II**  
**ROMANIAN ENVIRONMENT**



EXHIBIT C

THE DYNAMICS OF FOREIGN INVESTING  
COMPANIES IN ROMANIA DURING 1990-1991

Year	Investments (US\$ mill)	Number of companies	No. of investing countries
1990	112.4	1589	69
1991	156.3	6433	98
Total	268.7	8022	

Source: Romanian Development Agency, No.33, 1992

EXHIBIT D

THE BUDGET OF INCOME AND SPENDING

monthly average/family, lei-

INCOMES	YEAR 1991	1991/ 1990, %	SPENDINGS	YEAR 1991	1991/ 1990, %
Nominal income	19337	247.8	Total spending	18572	270.8
of which:			of which:		
- wages	14719	209.8	- consumption	13994	227.8
- other incomes	3821	167.1	- houses	670	17times
- credits and			- taxes	3218	244.2
borrowings	2254	215.7	- savings and		
			reimbursments	3019	244,0

Source: Informatii Statistice Operative, No.2, March 1992

## EXHIBIT E

PURCHASING POWER FOR A MEDIUM WAGE  
IN ROMANIA AND ACROSS SEVERAL EUROPEAN COUNTRIES

Product UM name		<u>Romania</u> october		in 1990					
		1990	1991	France	Ger- many	Aust- ria	Hung- ary	Czecho- slovakia	Poland
Beef meat	kg.	79	52	234	177	336	72	123	42
Pork meat	kg	110	54	168	283	288	87	131	63
Chicken	kg	114	101	315	...	...	112	106	66
Flour	kg	683	466	1051	1596	2806	115	685	321
Rice	kg	228	243	600	...	...	284	329	160
Butter	kg	55	84	176	259	410	91	49	44
Cheese	kg	67	38	119	...	274	68	77	50
Eggs	pcs.	2069	1621	5970	8195	13132	3066	2347	906
Margarine	kg	137	152	298	753	1030	...	161	129
Potatoes	kg	1323	276	2049	2315	2924	1075	1153	...
Sugar	kg	244	307	939	1387	1832	372	297	209
Lemons	kg	180	53	555	987	1196	255	...	...

Source: Informatii Statistice Operative, nr.1, March, 1992

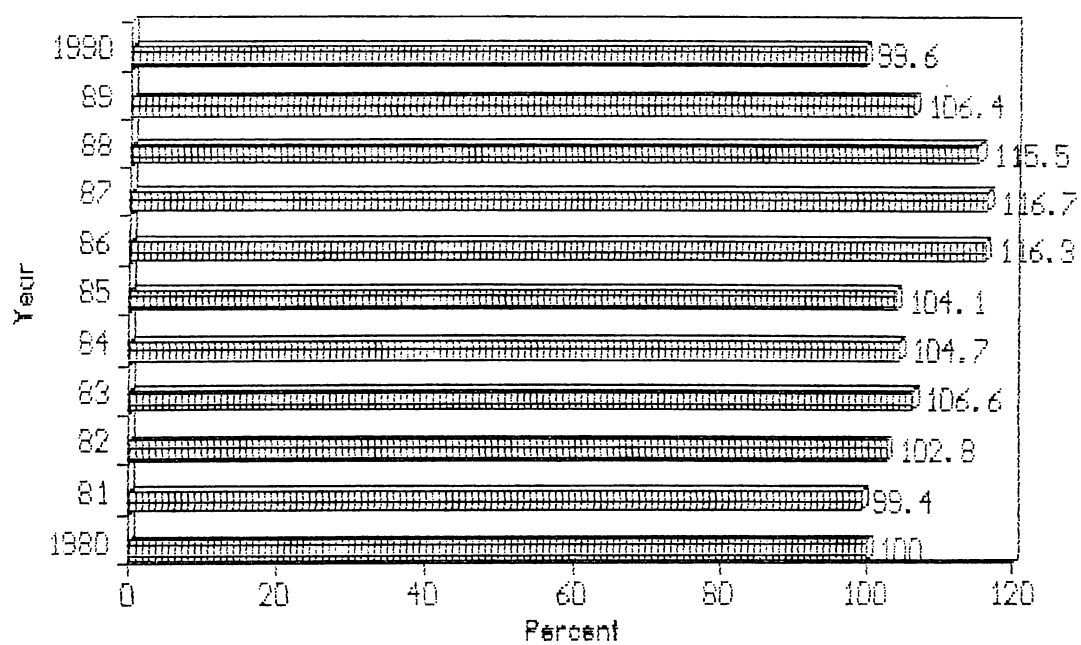
## EXHIBIT F

FREQUENCY OF ITEMS AND  
CONSUMPTION ACTIVITIES SEEN AS  
NECESSITY, LUXURY AND CONSUMED  
AND WANTED BEFORE AND AFTER 1989

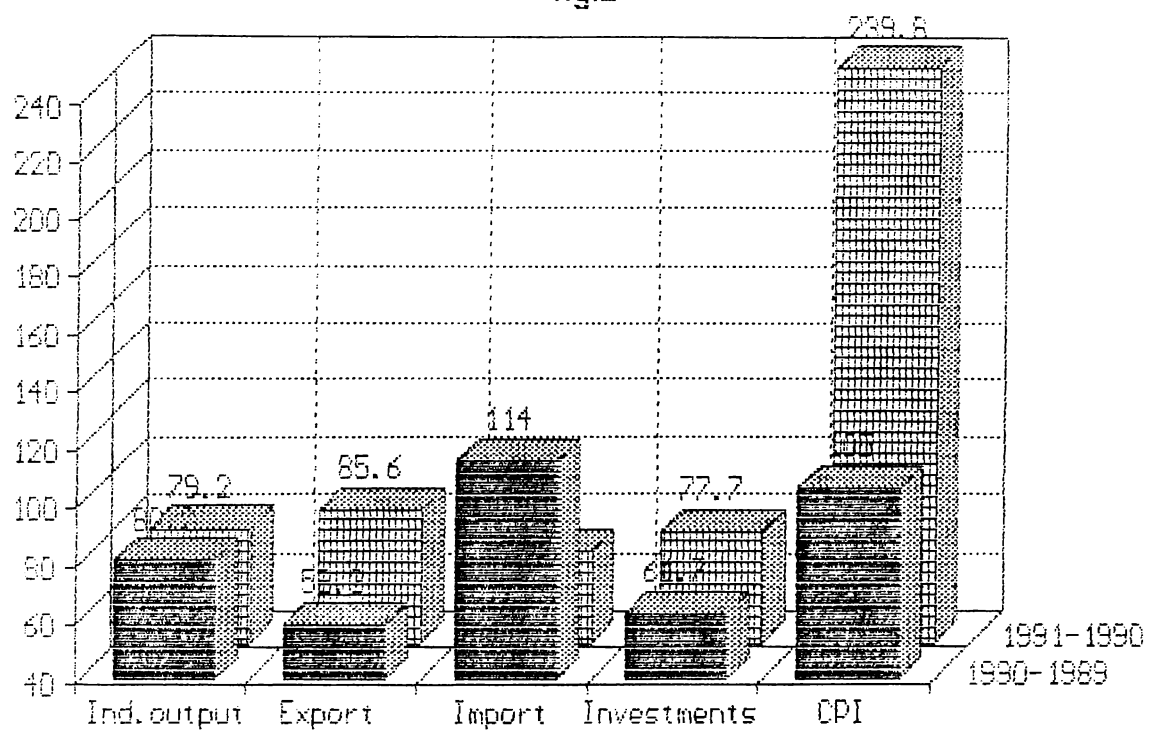
	BEFORE 1989				AFTER 19 89			
	N	L	C	W	N	L	C	W
1 radio	31	0	31	0	31	0	29	0
2 books	31	0	31	0	31	0	27	1
3 hot water	31	0	24	3	31	0	25	1
4 food	31	0	31	1	31	0	31	1
5 watch	31	0	29	3	30	2	19	7
6 refrigerator	30	1	30	1	29	1	26	5
7 free Saturday or Sunday	25	9	19	12	29	0	21	6
8 TV	31	1	26	1	29	1	25	1
9 cosmetics	31	0	30	2	29	0	28	4
10 medicines	30	1	30	0	29	0	27	0
11 sport articles	28	6	26	4	27	7	23	7
12 one month holiday	27	7	11	17	26	4	15	13
13 university studies	31	0	22	3	26	4	19	2
14 electricity	28	2	30	1	25	0	27	1
15 public transport	30	0	26	0	25	0	24	0
16 color TV	25	8	13	19	24	6	22	8
17 theatre	28	0	26	5	24	4	23	7
18 freezer	23	10	13	13	24	8	11	14
19 electric mixer	24	8	20	12	24	6	21	7
20 furniture	31	0	24	8	24	5	12	16
21 museums	27	5	22	6	24	3	14	10
22 house	29	3	13	15	22	8	13	14
23 car	26	7	10	16	22	8	12	18
24 sewing machine	24	6	19	9	20	7	18	8
25 car stereo	17	13	12	11	19	12	11	11
26 video	18	12	20	10	18	12	17	11
27 P.C	11	22	6	19	16	14	12	15
28 dishwasher	14	18	2	24	15	14	4	21
29 handmade cloths	15	14	23	3	13	13	16	9
30 family picnic	14	11	15	11	11	11	8	11
31 microwave oven	9	25	4	22	9	22	2	25
32 air conditioner in house	6	27	3	22	8	24	3	21
33 designer cloths	6	26	8	11	5	24	3	14
34 holiday house	4	29	0	25	4	26	0	23

Note: items were ranked using Necessity after 1989 as primary key; N, L, C, W, stand for necessity, luxury, consumed, wanted.

# Dynamics of Gross National Product - fig1

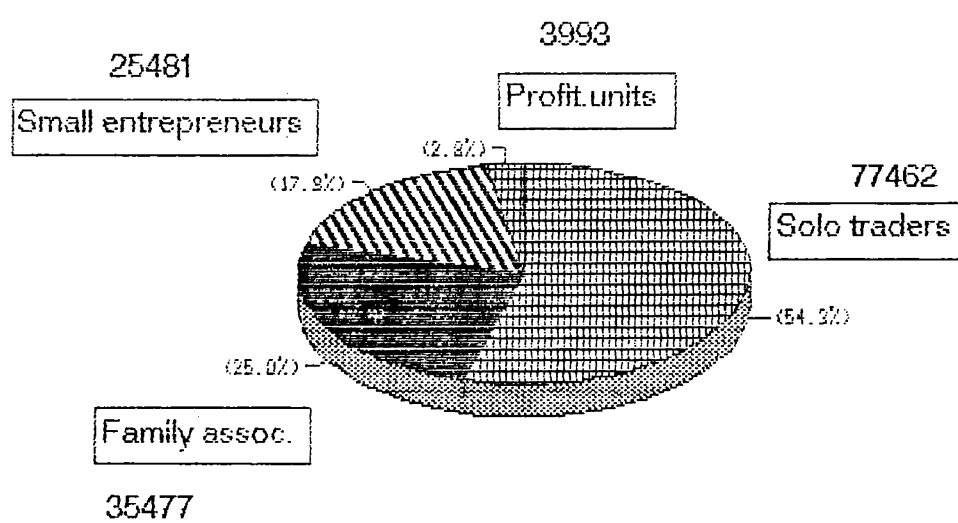


Dynamics of Several Synthetic Pointers  
fig.2



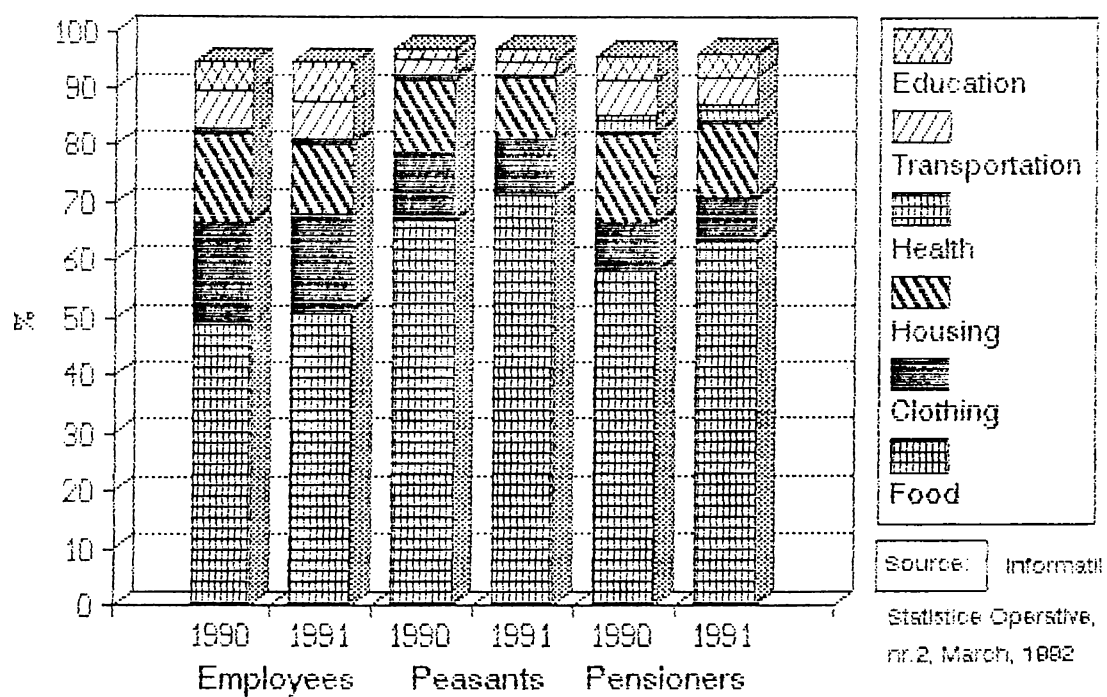
Source: "Romanian Insight", nr.7, 1992

Structure of Private Entrepreneurs  
fig3

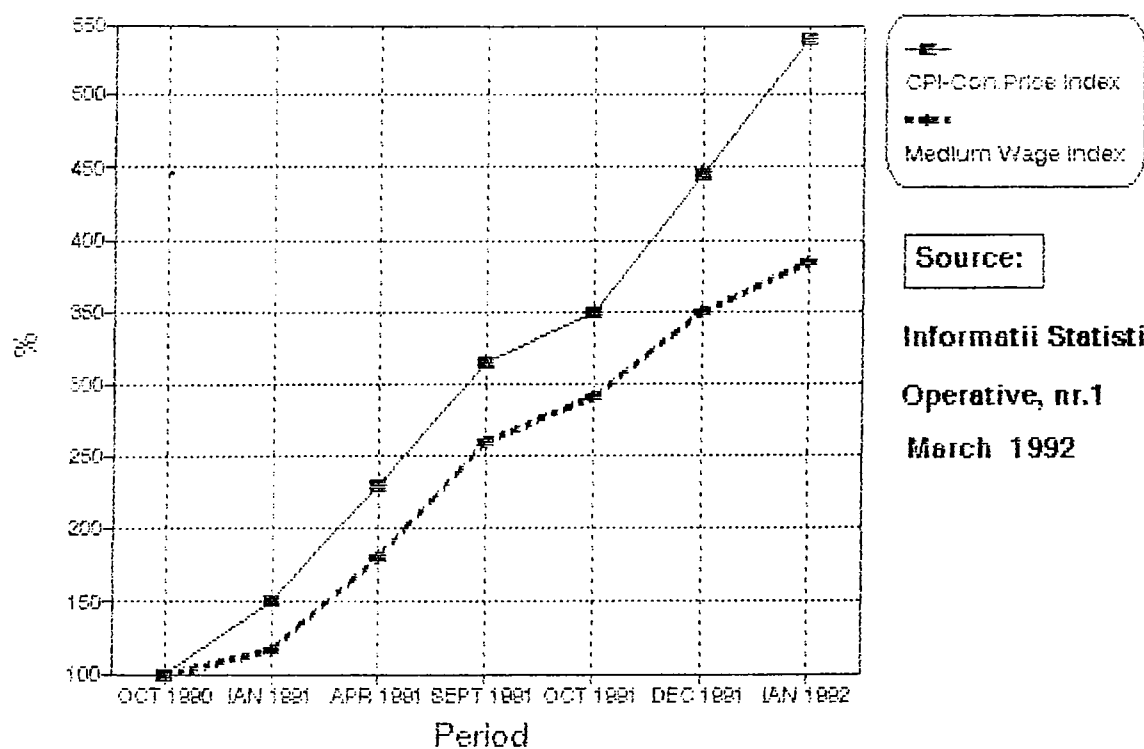


Source: "Romanian Insight", nr.7,1992

Structure of Consumption  
Expenditures in 1991-1992 - Fig.4



Growth of CPI and Medium Wages  
1990 - 1992 -Fig.5-





**APPENDIX III**  
**METHODOLOGY**

## APPENDIX III

### INTERVIEW

---

**Purpose:**

---

---

**Questions:**

---

#### Introduction:

- Ask what they think about a materialistic person;
  - Make eventual corrections;
  - Why do you buy goods;
- 

#### **Section 1)**

\* Reveal types of materialistic people;

Describe. (detailed)

- \* Do they include MONEY in the concept - What do you think about her
- \* Check reaction and compare it with info's about nonmat.'s. his behavior? Admire/Offense. Why?
- \* How the interviewee is POSITIONED w.r.t. the subject.

\_ Do you know any materialist person?

- Do you know any nonmat.'s? Describe.

- What do you think about his/her behavior? Admire/Offense. Why?

---

#### **S.2**

RELAX: - make people feel at large

- \* Compare eventual differences in consumption patterns;
- \* Find "standard package ";
- \* Prepare for next quest.

- Are we living (consumption) better/worse than BR?

- Can you afford more/less? Why? How does it affect you?

- What are you goals w.r.t. consumption? Compare...if changed...Why?

---

#### **S.3**

Consumption-Happiness

- How do you feel about consuming more/less? Good/Bad Why?

- How do you feel when see other people can afford:  
- More

- Less than you

\* Money leading directly to happiness - materialism ???!

\* Money regarded as a tool - clues for a nonmat. behavior.

- What do you think about money? Can money bring happiness?

- How you divide family's budget for consumption purposes?

- Suppose you can't afford to buy one/some goods at one moment. What will be your decision wrt your funds?

---

#### S.4.

##### Consumption-Power

\* Check feelings like secure & insecure, trust & fear

\* Can possessions give the feeling of status achievement?

- Consume more = Strength?

- Consume less = Weakness?

- By having more can U gain more influence on people? Why? How?

- What do you think about those who can buy what they want?

---

#### S.5

##### Rich - Poor - Happiness

- Can a rich person be happy? What makes him/her happy?

- Can a poor person be happy? What makes him/her happy?

- Opinion about GENIUS.

---

#### S.6

##### ? - Happiness

\* Try to find what people think about happiness.

\* Are there any material purposes in achieving happiness?

\* Check sincerity in previous answers (sect.3)

- What makes you happy?

- Describe a "happy" moment in your life.

- What are some of your plans for the future? Achieve these plans will it bring happiness?

- How does the person you admire the most look, behave.. like? Why you admire? What?

### 8.7

RELAX:

- Describe one of your best holidays (ask for pictures-scan for material symbols).
- 

### 8.8

\* Find material symbols with "emotional" value for romanians

- How did you feel when got in contact with Westerners. Describe what you like/dislike about them. Did any of them make a strong impression on you? Why? What ?

\* Apply also for Power.

- Reaction about people "living from packs".
  - Did you feel more attracted to them? Why?
  - Do you have the same feelings now ?
- 

### 8.9

Friendship-Materialism

- How do you select friends?
  - Circumstances under which you enjoyed to meet someone that latter become a good friend of yours.
  - Do you have friends among wealthy/ less wealthy people? How does relationship go on?
  - Over time, can different levels of material achievement separate you?
- 

### 8.10

How different would you like your life to be compared to your parents?

**APPENDIX IV**  
**FINDINGS**

## APPENDIX IV A

### DATA AGGREGATION

(urbans)

#### Consumption - Happiness

- "a way to feel satisfied "
- "not really happiness": - "it is a stage in our society' development, a transition period when everyone is buying - if they have enough money."
- satisfy necessities rather than afford luxuries
- "a way to forget about problems - when I go shopping I concentrate on what I'm going to buy."
- a survival matter " I have wife and kids to feed "
- "a great sacrifice "
- " It can take me out from my deepest blue-mood...I feel good when I'm well dressed and look nice - reported to my tastes and standards - when I'm well fed, when I can see a good movie."
- "only consumption w/o social - life can't offer me happiness
- "I feel embarrassed when I buy something and see others can't afford" - hide.
- dependent on everybody's stated goals
- "it is not everything in someone's life" - health, family troubles etc.
- people believe their present lives became dominated by the "consumption fever"; they are talking too much about money and material achievements are getting more and more importance. "We've been too fast contaminated with this virus - consumption. People want to live like in capitalism but work like in socialism."

## Money - Happiness

- a concern - "keep always an eye to your wallet "
  - "solve the money problem first; then you can think to other problems."
  - "you can't afford a holiday w/o lot of money - travel expenses are very high."
  - "can't afford some of the necessities: house, furniture, car"
- a MEAN not a PURPOSE ; a mean for existence "money for food "
- to have money = sacrifices, risks; admire people who are "crazy about money. They can do lot of things that others don't even dream about."
- "feel good when you spend your own money " - independence
- money --> stability, feeling of prosperity
- a way to evaluate your work --> satisfaction --> happiness
- money are made to be spent; "people who try to save money will be permanently frustrated." - inflation
- a necessary "evil"
- "among the few material things that can bring happiness"
- a new feeling: "work more - gain more - buy things that can make me happy"
- "The present situation (low purchasing power, high inflation) forces me to give up some of my free-time (reading, theatre ) in order to gain more money. Suppose both members are working, there is no decent way of living only with one salary each."
- if goods were bought from personal earnings:
  - . "feel more satisfied"
  - . "think more about the good I'm going to buy ", " try to keep it for a longer time and take good care of it - it would be very difficult to replace it "
- money can help achieve goals: good education abroad, good job

- "money change people "

### ? - Happiness

- complex: "be with the man I love, in a nice house, listen to good music, have my favorite drink, make love."
- realize that you are happy - "be contemporary with your happiness"
- "realize what I know I can realize."
- culture - try to forget about money and material things (anyway difficult to achieve ) and escape to another world - books, films, concerts, theatres.
- appreciation at the work place
- salary day - bought own color - TV
- "work and gain my own money ", succeed to live independently
- health and happiness in the family
- peace, love "on a sky-scraper "
- successful exams,
- traveling: - escape to an "oases w/o any troubles "
  - be with friends, have a good time
  - see new places (countries)
  - sleep in the rail-road station, live in open nature, lot of adventures and good time, tent camps.

### Materialism - Friendship:

- no materialistic criteria for selecting friends : common tastes, trust, sincerity, politics, "same frequencies ",sense of humor, love, respect



- "I don't like poor among my friends - we can't communicate"
- "Each of my relationships with a boyfriend begun with an invitation at the restaurant."
- materialistic behavior may ruin a friendship - "Money change people... many of my friends can't find anymore time to call me."

### Rich - Poor - Happiness

RICH: - if too rich - will fail to keep up with social relationships --> ALONE

- after becoming rich you can build happiness - " I can't be rich in two days but I can be happy tomorrow, if I really want to."

- depends on goals and resources to achieve them

POOR:

- "can't be happy - they can't satisfy material desires belonging to people they love."

- "Poor can't be happy outside his/her circle. Even if they are happy, when their kids come home and say I've seen that think, I want to have one too, the parents will see they can't afford and become unhappy."

- "ashamed to switch on the light when making love if you realize your underwear is old and broken."

- weak people - they should fight back, find a way out.

- poor = narrow-minded people - no goal, no wish to get out from their position;

- poor can be happy, - Myth: " God on earth...visits some rich families - none was happy...enters in a poor man's house...full of children...he was happy."

### Materialism - Power

- "You can make people be dependent on your goods and money. Give a lift to someone with your car, he/she will ask for it the second time."
- consume more - independent, feel more secure about future, comfort, prosperity, stability
- consume less - weakness : "When you can't afford buying something and have to give up - giving up = loose."
- admire people who can set limits to their desires
- rich people can influence others, but depends on the people around if they will accept or not his/hers domination.
- safety - money can buy certain goods that can offer a measure about someone's performance in his profession
- "if a wealthy person enters in the group and starts to show-off you feel somehow marginalized."

### Nonmaterialists

- hard to believe there is someone like that in today's Romania
- "out-ists" - not able/willing to keep up with current changes
- "maybe the monks at Sopoca monastery "
- "after all you have to eat , nobody works with batteries."
- they already have the bare necessities assured by their families or friends - Rockers at "Gradinita " (Little Garden Restaurant) or "a millionaire's son who wants to become a poet."
- admired and afraid that they might turn to be materialists
- frustrated people : "BR you knew you can't travel abroad, can't buy your own car, VCR, color-TV, even bread ... escape into books films, theatre, philosophy. You knew that culture-spirit is

something that nobody could take it away."

- often associated with poor - no material goals - accepting the present situation in the country (eat a good soup, drive your old car) is "a communist way of thinking."

- selfish

- ascetics - "never been forced to live otherwise..."

- genius (e.g. Brancusi, Eminescu, Petre Tutea )- appreciate but treat them as exceptions :

- had a different way/goal in life

- "what will you leave for your kids after you'll die if you are not a genius?"

- they were able to "eat their ideas"

- "if life has thrown you on a medium orbit...have all the chances to remain a good christian. Life has never challenged these people."

### Own

### consumption

### experiences

- if goods were bought from personal earnings - "think more about the good I'm going to buy...try to keep it for a longer time and take good care of it."

- "look for the best price"

- "I bought a computer not only for my personal pleasure but also to help me in my job."

- "I spent more on food and rent than before (BR)."

- "When I bought my CTV I felt happy."

- "I can choose now. I'm no longer forced to buy the same product every time I go shopping."

- "I was charmed to find a nice pair of Romanian shoes, same

model I saw last year in US."

- "I bought an expensive pack of crackers just for my own pleasure."

### Material expectations, aspirations, desires

- " a house ... after you have it the next thing you need is furniture."

- a car

- "a house, 5-6 rooms with all the necessary facilities: microwave-oven, refrigerator, CTV, VCR....be well dressed."

- travel abroad

- need for information

- "I don't make plans for my material future. I expect things to come, and they usually come."

- "I would like to work hard, be able to save some money in order to have my own compact-disc, my own CTV, my own VCR. I would like to live more independent (from the parents)."

- goods that can "ease my job "

- "change the carpet, fix the wall "

- "I would like to live w/o the "fear for tomorrow" but I would like to have also a cultural life (shows, theatre, books, music) that could balance the material life."

### Comparison with parents' life

- very different - "They couldn't achieve too much thought they've been working hard all the time. "

DATA AGGREGATION

(villagers)

Consumption - Happiness

- "I'm more happy now that I see more goods in shops and maybe, one day, I will be also able to buy something for me"

- for teen-agers - a new experience "feel great":

- have your own money
- get in the shop whenever you want
- w/o your parents
- buy what you desire

- feel worst than before when see so many things but there are no money to buy them

- enjoy one good (enjoy watching TV) when the whole family is around

Money - Happiness

- not necessary but money problem make people more concerned "You can recognize someone without money if he would be two miles away."

- "Before we had money but nothing to buy with; now we have lot of goods on the market but no money."

- feel good when can spend own money
- there are not the money that makes someone agreeable
- more important things than money: family, health, understanding

? - Happiness

- "live your life "
- have your family around you, health and understanding

- education for the kids
- go for a nice holiday, ideally at the seaside, not to spend lot of money but just to relax and be away from troubles
- meet people - they like sociable people; seat and listen to their life experiences, to their jokes and stories
- go with friends in the mountains; have good time (live in tents, prepare your own food, sing songs around the fire); be in the middle of the nature.
- go abroad, have a good job to enjoy it
- "see my roof fixed"

#### Materialism - Friendship

- same criteria as the urbans, (+):
  - look carefully to the friends you're going to make
  - think well before talk, than talk
  - prefer friends among "neighbors"
- materialistic behavior breaks friendships when income differences become too large
- avoid rich people's friendship: "Where money are no understanding exists. " Different life-styles.
- like sociable people: "Uritu-mi-i de omul mut."

#### Rich - Poor - Happiness

- wouldn't like to be rich - conceited
- richness - problems: - "life become a race for money"
  - "forget about old friends"
- "It doesn't matter whether you are rich or poor. The only think

that counts is to be human (have good sense of things). Anyway in front of our priest we are all the same."

### Consumption - Power

- buy more - more secure
  - more troubles: "Wealth is like a disease: the more you have the more you want"
- buy less - not a weakness
  - "I would feel bothered (ashamed) if I wouldn't be able to keep up with the others." (rusinea satului)
  - a shame for their village
- wealthy people: impressive, influential (can bribe the local police)
  - close contact only if he/she "behaves well"
  - people in the village don't take them as their leaders

### Own consumption experiences

- "price doesn't mean quality - it happened I bought something very expensive but of a poor quality."
- "...bought a training suit...felt great to be able to spend my own money and to be able to bargain with the seller."
- "every time I go shopping and see so many nice things, I'd like to buy them but I realize I don't have enough money."

### Material expectations, aspirations, desires

- like to go abroad
- like to go to the seaside
- it is better to live more modest

- "fix up my house...take care of myself, buy some nice clothes "
- buy "fsindrila" ( small rectangular pieces of wood used to cover chalets' roof in mountain regions) and fix my roof
- see my children at the university

#### Comparison with parents' life

- adults : it is already very different; want a different life for their children-a better one, work differently (intellectuals)
- children : would like to achieve at least, and sometimes more, than their parents.



## APPENDIX IV C

### TYPES OF CONSUMPTION ORIENTED PEOPLE

A consumption oriented person : 5 types seem to emerge w.r.t consumption orientation and how people use their money.

TYPE I: - only "passion " - to surround him/herself with goods

- pushes very hard to obtain a certain good - "Face pe dracu-n patru" (change himself into four devils)
- aggressively pursuing their material purpose
- spends huge amounts on clothes, luxury goods
- unplanned manner of spending
- money have a central role in their life - "if they don't have enough money, they borrow " in order to satisfy their consumption needs
- by any means try to emphasize their wealth in public
- interpersonal relationships are strongly influenced by someone's financial capabilities
- willing to share/lend if not affected
- belonging to wealthy families - "never faced a money problem " or lower income families, and through "strategic " alliances become materially dependent (spouse, friends with good material situation)
- education doesn't play an important role in achieving a high level of material satisfaction

TYPE II: - goal oriented : "a better education leads to a better job"

- final task: good social position => lot of money
- "I love buying things. A nice dress can make me happy. From my

deepest blue - mood I can get out if I buy something nice."

- material environment has a great influence: "Damp walls make me feel damp also; light colored furniture makes me more cheerful."

- " Money are made to be spend - get rid of them as quick as possible."

- sacrifice everything for a higher material goal

- afford "is a matter of talent "

- adapt easy to environmental changes " After revolution (AR) I've started everything from scratch."

- dissatisfaction : \* parents' material achievements

\* present social position

- doesn't accept the idea of poverty - "Everyone is the architect of his/her own welfare."

- career oriented, entrepreneurial spirit - faith in own powers

- don't make plans about material goals - "Material achievements will come along your career path."

- bothered when see someone's else material achievements

- coming from poor family

- education a mean to achieve a better social level

BUT \* unhappy if away from social life "give up everything when comes about to be with my friends"

\* afraid when see people "which before revolution (BR) were living only for their ideas", changing and becoming "slaves of their own material goals"

**TYPE III - A.** - goal oriented: family care (no personal consumption)

- "genius " - focus all efforts in order to achieve a better living standard for the family (children)
- doesn't pay any attention to personal needs
- "wears old clothes, has bad teeth..."
- saves money rather than spend
- belongs to poor or middle class family
- doesn't reject any kind of job offer (physical or intellectual) if has any minimal knowledge about it; generally skilled in performing more than one job
- B.- goal oriented - personal satisfaction (no consumption)
  - no family
  - save all the money he/she gains
  - idem TYPE III A.

#### TYPE IV

- money can bring happiness - " I can buy the goods that I like"
- money = MEAN not PURPOSE - "money are not everything in your life"; gives a target for his money - buys specific goods
- don't like people who just save money with no purpose
- feels his/her movements restricted by the "money problem ":
  - . tourism prices are prohibitive - "where ever you go better keep an eye to your wallet "
  - . money can gain access to higher social levels
  - . money can buy you the "dreamed" goods
- feels that can afford more now than BR:
  - . "temptation is higher"
  - . higher exposure to goods - increased supply

. wide availability - "at least you don't have to cross -  
mountains for a salami "

- bothered when people become wealthy through dishonest means
- if a certain material goal is too remote - give up
- like making friends among poor rather than rich
- coming from a well situated family
- high education
- not career oriented

**TYPE**                      **V**                      **-**                      **Culture**                      **oriented**

- culture (theatre, films, paintings, books etc.) can make them happy
- need for information - a necessity
- give up any other material goal for culture-spirit-ideas
- don't like people "throwing away " money on goods
- refuse to believe that goods can make you happy
- save money rather than spend
- influenced in their buying decisions by people coming from their category - buying a certain good is a matter of " bon-tone"
- elitists - reject presence of poor among their friends: "There is nothing to communicate with them"
- worried about the changing social structure and the "reversed individual values " - "Now, people who wouldn't deserve to have money, have. Ethics' outlaws!"
- tourism (preferable abroad) - a way to escape from stress
- can hardly adapt to free-market economy rules
- nonentrepreneurial spirit, like have a job in a "warm place " that can offer them stability

- good education - a matter of pride
- conservative
- middle/high families

FACTORS THAT INFLUENCE CONSUMPTION ORIENTATION

Why people are behaving in a materialistic manner?

- "money worth nothing "- inflation - high price obsession!  
People prefer to spend. (MACRO FACTORS)
- "Before we had nothing to buy from shops. Everywhere you could find the same products (if any was available on the market). Now there are so many goods there but no money to buy them." People are facing a powerful temptation that they haven't experienced during the 45 years of communism. (FREEDOM OF CHOICE)
- "For the lack of goods on the market Ceausescu was blamed. Now since he is no more, they find it very difficult to believe that more restrictions have to be faced. Everything become a necessity." (SENSE OF ACCOMPLISHMENT)
- keep up with the changing social believes: " BR a university teacher, thought badly paid, was somebody. Now a university teacher w/o money is a fool!" (SELF ESTEEM, SOCIAL RECOGNITION)
- "...depends on the place in life faith has chosen for you...It is very easy to be a nice, decent, moral person when life has never forced you to be otherwise. You live there in your 'nest' and serve the truth. But when life challenges you, you can't be the same and start to change...become mean, materialist, selfish." (OPEN MINDED)
- a key for successful adaptation to the free market economy rules (ASPIRING)
- care about status symbols - buying WHAT thing is of "bon-tone" (SOCIAL RECOGNITION)

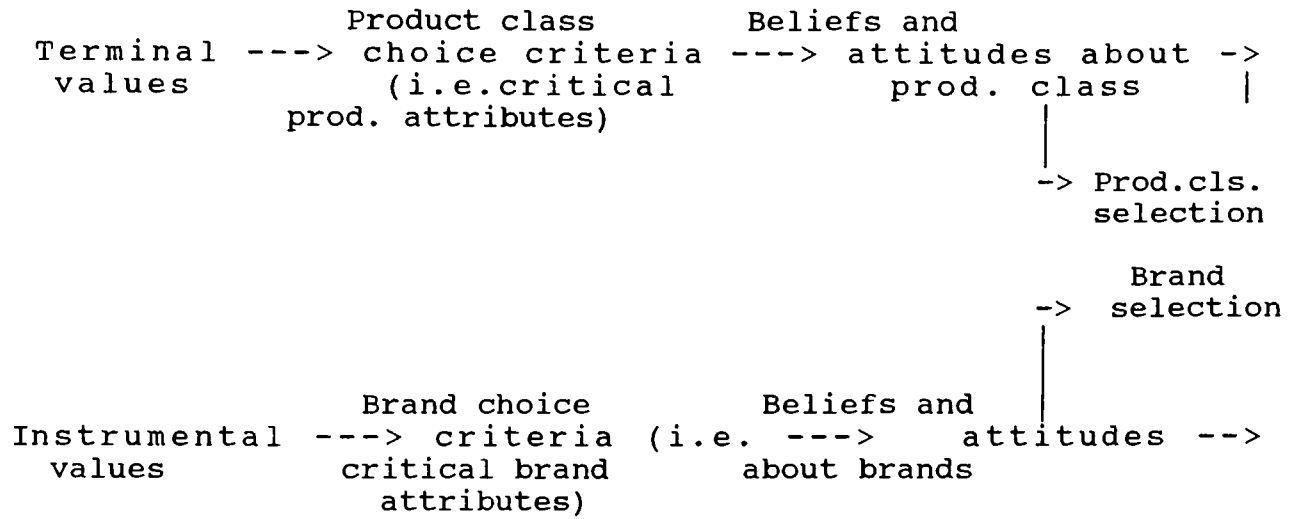
- remain an idealist - "a selfish purpose. You have to do something - work in order to gain a new place in the society."  
(AMBITION)

- awareness of the world's consumption patterns - many were in permanent contact with the western world through media or personal connections. 3) (OPEN MINDED)

**NOTE:** Brackets include cultural values.

## APPENDIX V

### Effects of Different Cultural Values' Adoption on Product/Brand Selection



**Source:** Loudon, Della Bitta, Consumer Behavior: concepts and applications, 3rd ed., McGraw-Hill International, 1988, p.39



## **VITA**

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